

Congressional Budget Justification, FY 2022

May 28, 2021



MILLENNIUM
CHALLENGE CORPORATION
UNITED STATES OF AMERICA

Table of Contents

Executive Summary	5
Compact Assistance	13
Threshold Programs	23
Compact Development and Oversight	26
Administrative Expenses	28
Office of the Inspector General	31
Appendix: Annual Performance Report	32
Endnotes	77

Executive Summary

(in millions of \$)	FY 2020 Enacted	FY 2021 Enacted	FY 2022 Request
Total Appropriation/Request	905.0	912.0	912.0
Total Compact Assistance	634.5	651.0	647.5
Threshold Programs	30.0	31.0	31.0
Compact Development/Oversight:	129.0	113.5	114.0
<i>Compact Development Funding</i>	36.0	30.0	30.0
<i>Due Diligence</i>	93.0	83.5	84.0
Administrative Expenses	107.0	112.0	115.0
Office of the Inspector General	4.5	4.5	4.5

Introduction

The Millennium Challenge Corporation (MCC) is requesting \$912 million for fiscal year (FY) 2022 to deliver on its singular mission to reduce poverty through economic growth, including responding to opportunities in countries in the strategic areas of climate, inclusion and gender, and catalyzing private sector investment. With cost-effective projects, a dedicated staff of experts, and an evidence-based approach, MCC is a good investment for the American people.

Specifically, MCC is requesting \$912 million for FY 2022 to support the following:

Programmatic work:

- Ongoing and projected compact implementations across 10 countries including Benin, Burkina Faso, Côte d'Ivoire, Ghana, Mongolia, Morocco, Nepal, Niger, Senegal, and Tunisia, as well as the development of seven compacts in Indonesia, Kosovo, Lesotho, Malawi, Mozambique, Sierra Leone, and Timor Leste;
- Two projected concurrent regional compact programs focused on trade facilitation across borders: (1) the Benin – Niger Regional Transport Integration Program and (2) the Côte d'Ivoire – Burkina Faso Regional Energy Interconnection Program;
- Ongoing threshold program implementation in Guatemala, Kosovo, and Togo, as well as the development of threshold programs in Ethiopia, The Gambia, Kenya, Kiribati, and Solomon Islands; and
- Development of any new compact or threshold program selections made in December 2021.

Administration, monitoring, and evaluation:

- Delivering on MCC's rigorous oversight model, including progress review of compact and threshold programs for any course corrections, adjustments of plans to leverage new opportunities,

modification of activities, or to eliminate programs or activities when deemed appropriate.

Required changes could be identified by regular internal control systems, monitoring mechanisms, and oversight by MCC's Board of Directors;

- Managing MCC's competitive selection process—a data-driven, transparent method for determining where the agency uses its development dollars. For consideration, countries must first pass MCC's scorecard of 20 independent, third-party indicators that measure a country's policy performance in the areas of ruling justly, economic freedoms, investing in people; and
- Maintaining the unique evidence-based and rigorous approach to developing projects and assessing their impacts, including publishing MCC Evaluation Briefs and Star Reports, which consolidate critical programmatic information throughout the lifecycle of each compact and threshold program in areas such as performance, sustainability, and lessons learned.

MCC's operations are guided by its founding principles that remain as relevant today as at the time of the agency's inception 17 years ago. These principles are centered on a competitive selection process that reflect American values and the conditions for economic growth; a business-like approach with bedrock commitments to data, accountability, cost-benefit analysis and evidence-based decisions; and a laser-focus on creating the right circumstances for private investment. In short, MCC focuses on "what works." In addition, MCC is fully aligned with the Administration's priorities and has ambitious plans to advance and accelerate work on climate, inclusion and gender, and catalyzing the private sector.

MCC's mandate and business model of reducing poverty through economic growth is in line with a partnership model whereby the United States evolves the relationship with partner countries from aid to trade and investment. Since its inception in 2004, MCC has deployed \$15 billion in compact and threshold grants across six continents. MCC's investments have successfully delivered over 180 projects in seven key sectors ranging from transportation and energy to agriculture and health, education, and community services. These projects are improving the lives of an estimated 188 million people in 29 low income and low middle-income countries.

MCC's financing is in the form of high-quality grants—grants that are predictable, multi-year and flexible, and do not add to a country's debt burden. The agency is able to make large grants which have ranged up to \$700 million for five-year compacts and \$50 million for threshold programs. These grants typically include substantial infrastructure investments complemented by critical institutional and policy reforms, which create an enabling environment for private investment and ensure that infrastructure investments have a sustainable impact. This approach allows MCC to effect systemic and long-lasting results.

Country ownership is a core MCC principle. MCC's engagement with a partner country often stands as a cornerstone of the U.S. economic relationship in that country—visible proof that U.S. economic assistance leads to tangible results—and helps to create a more attractive environment for private sector-led growth. Partner countries generally also make a financial and/or in-kind contribution, a signal of their commitment and ownership of the programs. In an increasingly globalized economy, these investments are a down payment on poverty reduction, increased growth, and stability as well as market opportunities for American businesses.

MCC's competitive selection process, using a "scorecard" with externally available metrics, assesses candidate countries in the three categories of Ruling Justly, Economic Freedoms, and Investing in People.

MCC thus works in countries that are committed to democratic governance, and rewards transparency and accountability. MCC directly supports the President's priority of incentivizing democratic values and reforms across the globe. Specifically, MCC's rigorous selection process creates an incentive for countries to improve their policy performance, while also targeting MCC's funding to those countries most likely to use it well. The MCC scorecard represents one of the many ways MCC is distinctive in how it works to reduce poverty through economic growth around the world.

To achieve maximum impact and value for money, MCC holds itself and its partners to a high standard of accountability for achieving results. MCC's focus on transparency and accountability for results has been consistently recognized. In December 2020, Results for America released the 2020 Invest in What Works Federal Standard of Excellence Report, an annual scorecard of how federal agencies are using evidence and data to achieve better results. For the fifth consecutive year, MCC received the highest score of all federal agencies featured in the report for having built the infrastructure necessary to be able to use data, evidence, and evaluation in budget, policy, and management decisions.

COVID-19

The health and economic impacts of the COVID-19 pandemic have been devastating globally. MCC has prioritized the health and safety of its staff and partners, consistent with the President's Executive Order on January 20 and OMB guidance. At the same time, MCC remains steadfast in its commitment to deliver on its mission and programs. MCC staff operates in maximum telework and work has progressed on all fronts despite the travel constraints and the extremely challenging situation around the world that has created stress and delays.

Throughout the pandemic, it has been clear that health and the economy are inextricably linked. MCC's investments have enabled many of its partner countries to better address the impacts of COVID-19, and they will be vital to countries' recoveries. Some MCC programs include strengthening a country's health system. More generally, programs tend to have indirect—but critical—impacts by tackling the underlying systems that are fundamental and complementary to direct health interventions. For example, MCC's work in the power sector and in water and sanitation indirectly improve a country's health outcomes.

MCC is also operationalizing the authority granted by Congress to extend compacts currently in force that have been adversely impacted and delayed by the COVID-19 pandemic. This welcome flexibility provides MCC and partner countries the ability to complete critical compact activities and to ensure the sustainability of MCC's investments. Specifically, MCC is working to extend compacts in five countries—Benin, Côte d'Ivoire, Ghana, Morocco, and Niger. MCC's country-led programs are structured to build capacity and invest in long-term, sustainable development—which generates the necessary conditions to promote economic revitalization and job creation once the COVID-19 pandemic subsides.

Diversity, Equity, and Inclusion

In FY 2022, MCC intends to continue to deepen its commitment to diversity, equity, and inclusion, which is key to having an engaged and productive workforce to deliver on programming. To do so, MCC recently established a new Office of Equal Opportunity, Diversity, and Inclusion within MCC's Office of

the Chief Executive Officer (OCEO), which reports directly to the CEO. By placing the office in the OCEO, MCC will further elevate these efforts within the agency, clarify reporting, and improve information flow. MCC is moving quickly to fill the lead position for this office. The agency also recently launched a new Executive Diversity Council, designed to institutionalize and empower employee feedback and input on diversity issues. The new council is sponsored by senior management, with interested staff given the opportunity to join through an open application process.

The following sections highlight the key programming priorities for MCC.

Climate

The impacts of climate change directly affect MCC's mission to reduce poverty through sustainable economic growth. Despite being the least responsible for global carbon emissions, developing countries are the most at risk from climate change and the least able to afford its consequences. Without significant interventions, climate change, combined with the economic fallout from the COVID-19 pandemic, will reverse significant development gains made in these countries and exacerbate global poverty and inequality. Indeed, reversal of development gains is already a reality, with the first increase in global poverty in 20 years. Investing in climate-smart development and sustainable infrastructure is critical to respond to countries' interest in enhancing their resilience to future crises, adapting to new climate realities, reducing emissions, and stimulating growth.

MCC was an early mover in addressing climate change and has a strong track record of integrating climate change resilience, adaptation, and mitigation considerations throughout its investment cycle. In the earliest stages, MCC considers how climate change affects the countries where it works and what risks climate change poses to the sector(s) considered for investment. As individual investments are explored, MCC considers potential risks facing the programs and develops measures to avoid or mitigate those risks. Key sectors of relevance often include energy, transportation, agriculture, and water.

Between FY15-FY20, MCC devoted \$1.7 billion, or about 40 percent of the agency's program funds, to climate related activities. The Benin Power Compact, for example, has the potential to leverage \$100 million in private investment and increase utility-scale and off-grid solar power generation, creating an enabling environment for independent power producers. This potential could deliver electricity to nearly 630,000 people in the poorest areas of Benin for the first time. In Indonesia, MCC reduced reliance on fossil fuels by expanding renewable energy, reduced land-based greenhouse gas emissions by improving land use practices and management of natural resources, and supported policy improvements through participatory land use planning.

Consistent with the Biden-Harris Administration policy that "climate considerations shall be an essential element of United States foreign policy and national security," and to further elevate its climate ambition, MCC will expand and deepen the emphasis on climate change across its investment portfolio and business operations. MCC has committed that more than 50 percent of its program funds will go towards climate-related activities over the next five years.

To achieve this, MCC will work with partner countries to promote climate-smart development and

sustainable infrastructure through its well-established model. Specifically, MCC has developed an agency-wide climate strategy to support climate-smart development and sustainable infrastructure with the following core objectives:

- *Strengthen the integration of climate and environmental considerations in the agency's suite of analytical tools and decision-making* important to program development, design, and implementation;
- *Fully integrate climate and related environmental considerations into all stages of program development and implementation* to support countries' transition away from fossil fuels. Maintain a coal-free policy across the investment portfolio and align programs with countries' nationally determined contributions (NDCs);
- *Support policy and institutional reforms to broaden the impact of investments*, including support to partner country sectoral, master, and investment planning to advance climate-resilient, lower emissions development as well as helping countries implement their NDCs;
- *Leverage blended finance to catalyze private capital* for climate adaptation, resilience, and mitigation;
- *Expand and deepen partnerships to further climate objectives* with other USG entities, funders and donors, finance institutions, industry, civil society, and academic institutions; and
- *Align MCC's internal operations with its climate aspirations*, looking at ways to reduce the agency's carbon footprint and strengthen its climate efficiency and resilience.

Inclusion and Gender

Promoting inclusion and addressing gender inequities is a key priority for MCC and is fundamental to achieving the agency's mission to reduce poverty through sustainable and inclusive economic growth.

With respect to MCC compact and threshold programs, in FY 2022, MCC will reinforce its data-driven model by enhancing its analytical and diagnostic tools to better assess and ensure that the needs of, and potential impact on, the poor, women, youth, and other marginalized groups are incorporated into the assessment, selection, design, and implementation of MCC programs. These efforts will help such groups overcome financial, legal, and cultural barriers that prevent them from fully engaging in their countries' economies. In doing so, MCC programs will better ensure that growth is broad-based, reinforcing the sustainability of growth and contributing to regional stability.

An example of this priority, and an area where MCC intends to deepen its commitment in FY 2022, is gender inclusion.

Building on its track record of prioritizing the incorporation of gender inclusion into its programming, MCC recently added gender-specific investment criteria to further advance and institutionalize how MCC prioritizes women's economic empowerment. MCC is also working to strengthen and expand its diagnostic tools to better account for gender inequities and gender-specific constraints to growth during early program development, which will allow an even greater focus on developing and implementing projects that advance women's economic empowerment.

Below are several examples of MCC's programs addressing inclusion and gender:

- The **Kosovo** Threshold Program's Reliable Energy Landscape Project is providing technical assistance and matching grants for female entrepreneurs to upgrade their enterprises through energy efficiency measures and other energy solutions.
- In September 2020, MCC concluded the **El Salvador** Investment Compact, which strengthened the adoption of inclusive teaching practices and other measures to eliminate inequalities and discrimination in schools. The compact supported the development of the Ministry of Education's Gender Policy and trained more than 1200 teachers and principals on gender equality.
- The **Mongolia** Water Compact, which entered into force in April 2021, is supporting the government to undertake tariff reform that addresses water affordability and the possible need to develop a customer assistance program, while also ensuring the municipal water utility's financial sustainability.
- Entering into force this year, the **Senegal** Power Compact will support the construction of electrical grid infrastructure in rural areas—including one of the country's poorest regions—and will facilitate access for women and youth to labor-saving devices and productive use of equipment.

MCC is also working with partners inside and outside the U.S. Government to enhance learning and accelerate progress on women's economic empowerment. MCC signed an inter-agency agreement with the U.S. Agency for International Development (USAID) to establish a women's data lab in Côte d'Ivoire to support female entrepreneurs with technology, training, and assistance in growing their companies. MCC is currently seeking a local partner to design and implement the activity and is collaborating with Microsoft to support a virtual network of digitally enabled female entrepreneurs within the country. Another partnership with the World Bank's Gender Innovation Lab will enhance MCC's capacity to integrate women's economic empowerment into program logics, project designs, and monitoring and evaluation plans. MCC has also partnered with Innovations for Poverty Action to leverage global expertise in identifying solutions for women's financial inclusion in upcoming programs in Lesotho and Indonesia.

Catalyzing Private Investment

Private sector investment is essential for sustainable poverty-reducing economic growth. The United Nations estimates that the annual financing gap to achieve the Sustainable Development Goals by 2030 currently sits at \$2.5 trillion. While Official Development Assistance continues to play a key role, closing this gap will require development agencies to help unlock and direct finance from other sources towards development uses. This imperative is at the heart of MCC's blended finance work.

MCC has been practicing blended finance since its founding, through public-private partnerships (PPPs), grant facilities, and catalyzing private sector investment. The agency supported PPPs like the port of Benin and the wastewater treatment facility in Jordan. MCC also developed an innovative grant facility in Indonesia and has catalyzed private sector investment around programs in Ghana and El Salvador. Leveraging private sector investment to further MCC's mission has been consistently integrated into the agency's work.

MCC is well positioned to catalyze private investment through the strategic use of public funds to mobilize private resources in ways that support sustainable, long-term, economic development in developing countries. MCC has honed its ability to help its partner countries design, strengthen, and

harness private financial markets through a /range of tools, including capital structure grants, grant facilities, parallel investments, co-investments, public-private partnerships, and catalytic investment strategies that increase the impact and sustainability of MCC programs. MCC's blended finance tools also improve investor confidence and help overcome some of the impediments to private sector investment in challenging markets in its partner countries. MCC seeks to target its resources where commercial financing is not available for deployment towards development outcomes. MCC strives to catalyze private investment without subsidizing companies or crowding out private finance.

In FY 2022, MCC will work to expand and deepen its blended finance capacity, portfolio, and leverage by continuing to develop three new innovative blended finance initiatives:

American Catalyst Facility for Development, in collaboration with DFC: The BUILD Act charges the U.S. International Development Finance Corporation (DFC) with increased coordination and collaboration among U.S. development agencies, including USAID and MCC. MCC and DFC (and previously OPIC) have collaborated in the past, but opportunities were constrained by significant limitations on investment timing and alignment of business models. To overcome these limitations, MCC and DFC are working on a new MCC-funded blended finance mechanism, the American Catalyst Facility for Development (ACFD). The ACFD is being designed to leverage the strengths of both agencies and to enable coordinated catalytic investments in MCC's portfolio by providing strategic grants aimed at crowding-in the private sector and maximizing the overall impact of U.S. Government development efforts. MCC and DFC intend to initiate the ACFD in at least six of MCC's country programs currently in development: Indonesia, Tunisia, Malawi, Kosovo, Lesotho, and Solomon Islands. As MCC and DFC gain experience in the initial countries, the agencies will assess the results and continue to refine the approach and mechanisms to maximize the impact of the ACFD as new countries are added.

Millennium Impact for Infrastructure Accelerator (MIIA): MCC is collaborating with Africa50 to develop MIIA, with the goal of attracting impact capital by developing bankable infrastructure deals with measurable social and economic impacts. MIIA seeks to mobilize much-needed private capital to the most impactful infrastructure projects in the power, water, sanitation, health, education, and transport sectors. MIIA will attract impact capital by supporting tailored project preparation to develop innovative financing and project structures for bankable infrastructure projects and linking impact investors to bankable deals that meet their impact criteria.

Innovation Technology Program, in collaboration with SBA: MCC is collaborating with the U.S. Small Business Administration (SBA) to create the Innovation Technology Program (ITP). ITP will strengthen the role of innovation and technology in MCC compacts, while promoting more business-centric, market-based solutions. MCC and SBA, in partnership with other U.S. federal agencies participating in the Small Business Innovation Research/Small Business Technology Transfer programs, intend to deliver technologies with the potential for commercialization and developmental impact for inclusion in MCC compacts. ITP focuses on sourcing and adapting U.S. innovations and technologies to opportunities that have the potential to support growth in MCC partner countries.

Through this work, MCC seeks to contribute to an expanded and enhanced capacity among U.S. Government agencies to create jobs, expand markets and reduce poverty through economic growth, and

to support the effective transition of countries in the developing world from aid to trade and private sector-led economic growth.

Compact Assistance

(in millions of \$)	FY 2020	FY 2021	FY 2022
	Enacted	Enacted	Request
Total Appropriation/Request	905.0	912.0	912.0
Total Compact Assistance	634.5	651.0	647.5

MCC requests \$647.5 million in support of compacts anticipated to be signed in FY 2022 or early FY 2023, including Kosovo, Malawi, and Timor-Leste along with two concurrent compact programs for regional integration: Benin – Niger Regional Transport Integration Program and Côte d'Ivoire – Burkina Faso Regional Energy Interconnection Program.

The below chart provides a breakdown of the request and includes all compacts under development and not yet signed:

Countries and Appropriations Used (in millions of \$)	Prior Years	FY 2021	FY 2022	Total
Timor-Leste	291	-	90	381
Kosovo	50	74	76	200
Malawi	27	243	80	350
Benin – Niger Regional Transport	-	300	150	450
Côte d'Ivoire – Burkina Faso Regional Energy			252	252
Tunisia	465	34	-	499
Lesotho	310	-	-	310
Indonesia				TBD
Mozambique				TBD
Sierra Leone				TBD
Total	1,143	651	648	2,441
Implementing Compact	57			57

Countries and Appropriations Used (in millions of \$)	Prior Years	FY 2021	FY 2022	Total
Extensions/ ¹				

Timor-Leste (Total Compact: \$381 million)

MCC's Board of Directors selected Timor-Leste for a compact in December 2017. The Government of Timor-Leste and MCC are currently designing two proposed projects to address the human capital challenges that severely constrain the country's growth. The first project would reduce the country's disease burden and improve the health of people in Timor-Leste by removing major sources of fecal pathogens from the environment and water sources. The proposed project would curtail the disease burden by building the country's first piped sanitation system and rehabilitating the drainage system in the capital city of Dili. Improving the drainage system will also contribute to ongoing efforts to reduce flooding resulting from the increased intensity and frequency of heavy rains caused by climate change. In parallel with compact development, and in response to MCC's recommendations, the Government has already taken significant steps to reform the water and sanitation sector, including the establishment of the country's first water utility and regulator, which began operations early this year.

The second potential project would improve secondary education by training current and future secondary school teachers and school leaders in the country, thereby increasing opportunities for students to succeed in jobs and tertiary education. MCC and the Government are aiming to complete the necessary studies, finalize project design, and seek Board approval of the Compact by the end of 2021, subject to pandemic-related travel restrictions.

Kosovo (Total Compact: \$200 million)

In December 2018, MCC's Board of Directors selected Kosovo to develop a compact program while the country continued to implement an ongoing threshold program. MCC and the Government of Kosovo updated and reaffirmed access to reliable and affordable energy as a constraint to Kosovo's economic growth. Over the past two years, MCC has worked with the Government and other stakeholders to develop a program focused on Kosovo's energy sector. MCC and the Government completed prefeasibility studies in 2020 to assess three proposed projects: the development of Kosovo's natural gas sector, creation of energy reserves for power system balancing, and improvement of electricity distribution. After review of the studies' results, the Government requested to move forward with gas sector development and energy reserves creation with the intent to facilitate renewables integration, relieve Kosovo's dependence on coal, and achieve decarbonization goals. MCC has been engaging the White House through the NSC team and will continue to evaluate the Kosovo compact program as it develops to identify the appropriate actions the agency can take to support the Biden Administration's fossil fuel policy objectives in the near term. Following Kosovo's parliamentary elections in February 2021, MCC is engaging with the new government to confirm Kosovo's continued commitment to the two proposed projects and further technical progress in program design to enable compact finalization in late 2021.

Malawi (Total Compact: \$350 million)

Since the December 2018 selection of Malawi for a second compact, MCC has been working with the Government of Malawi to develop two projects. The agriculture and transport project aims to increase profits of smallholder farmers, women, micro, small, and medium enterprises, and larger agribusinesses through a more diverse and inclusive commercial agriculture sector and a transport sector characterized by more competition. Design and feasibility studies are ongoing for activities to lower the cost of road transport, establish a blended finance facility to de-risk increased private sector agriculture investments, and improve the agricultural enabling environment.

The land project aims to increase land efficiency as a critical production input for increased economic growth in Malawi. Project activities undergoing design and feasibility include strengthening estate sector management by renewing estate leaseholds or reallocating them for higher value use, achieving more productive use of land through better funded land administration in both rural and urban environments, and increasing productivity and opportunities for investment and development in lands held as customary estates. MCC plans to conclude the development of the program in summer 2022.

Results from Malawi's 2011 Compact

MCC's initial compact with Malawi closed in September 2018. The \$350.7 million compact set the foundation for major improvements in the performance of the country's power sector and raised the potential for private sector participation. Through the compact, the Government of Malawi worked with 11 non-governmental organizations to pilot activities that will improve natural resource management along the Shire River, which supplies the country's hydropower plants. The Government also increased the generation capacity of its primary hydropower plant; installed its first high-voltage power line; and refurbished, upgraded, and modernized other portions of its power grid. With support from General Electric, the Government also introduced an automated management system that allows Malawi to monitor its grid in real-time. With substantial technical assistance provided through the compact, the Government adjusted electricity tariffs and amended power sector legislation to allow private investment and undertook its first-ever competitive solicitation for independent power producers. The Malawi Compact Star Report is linked [here](#).

Benin - Niger Regional Transport Integration (Total: \$450 million)

In 2019, MCC identified and reviewed three potentially viable concurrent compact programs. The most developed of these, an energy transmission line linking Ghana and Burkina Faso, was dropped from consideration in October 2019 after the Government of Ghana failed to meet a critical condition of the Ghana Power Compact and was not reselected as eligible to develop a concurrent regional compact in December 2020. As a result, MCC shifted its regional compact development focus to the Benin and Niger Regional Transport Program.

This potential program would involve rehabilitating road segments of the existing transport corridor between Cotonou in Benin and Niamey in Niger, one the most heavily traveled corridors in West Africa, while addressing institutional and market constraints that raise transportation costs. This potential

investment would have a clear link to the MCC investment at the Port of Cotonou through Benin's first compact, as well as the current MCC compact program in Niger, which is focused on agriculture and roads. The Governments of Benin and Niger have pledged to commit staffing resources to work with MCC in further developing this potential investment.

MCC is focused on three potential road segments—Bohicon-Dassa and Parakou-Gberouboe in Benin, and Dosso-Niamey in Niger—and the border crossing bridge. In addition, MCC is assessing critical institutional reforms. Key design elements under consideration include expanding road segments within Benin, improvements to traffic junctions, truck parking/rest areas, and toll stations, as well as improvements to protect pedestrians. In Niger, proposed work includes improvements to existing lanes to meet minimum technical requirements. At the border crossing, potential work may involve rehabilitation and widening of border bridges to improve safety and traffic. MCC is also exploring better coordination along the corridor through the institution of a governing highway authority between the two countries.

Côte d'Ivoire – Burkina Faso Regional Energy Interconnection (Total: \$252 million)

MCC also is currently assessing a regional investment in a proposed electricity transmission line linking Ferkessédougou in northern Côte d'Ivoire with Bobo-Dioulasso in southern Burkina Faso and continuing to Burkina Faso's capital, Ouagadougou.

The proposed project is expected to include a new 330kv double circuit transmission line between Ferkessédougou and Bobo-Dioulasso per the West African Power Pool Master Plan. The proposed project also includes equipment on either end that will allow for more power trade between Burkina Faso and Côte d'Ivoire, as well as greater control and stability of the interconnected network. In addition, a detailed study of associated transmission lines between Bobo-Dioulasso and Ouagadougou and Bobo-Dioulasso and Sikasso will enable the team to assess whether these lines are in fact required for the interconnection's viability.

Due to the alignment of this proposed project with (1) the objectives of the current Burkina Faso compact, (2) the Government of Côte d'Ivoire's aim to become a net exporter of power in the region, and (3) a request by the Government of Burkina Faso for MCC to consider further study of this project, MCC included funding for a design feasibility study in the Burkina Faso Power Compact, signed on August 13, 2020. The results of this study would give MCC enough information to determine its suitability for further program development.

Tunisia (Total Project: \$499 million)

In December 2016, MCC's Board selected Tunisia as eligible to develop a compact. Tunisia is a strategic ally for the U.S. in the Middle East and North Africa region and the only country to emerge from the Arab Spring with a successful democratic transition. Following its democratic gains, the Government of Tunisia is working to introduce a series of economic reforms to create an enabling environment for economic growth and job creation.

The proposed two-sector compact is designed to address the identified binding constraints to growth of both excessive market controls of goods and services and water scarcity in the interior regions of Tunisia. The Transport and Trade Project aims to reduce the time and cost for businesses to engage in trade in Tunisia, and particularly in Tunisia's principal Port of Rades to support Tunisia's nationally determined contribution (NDC) priority of redeveloping coastal industrial zones. This includes investments to improve management and expand infrastructure at Rades, as well as support the reduction, simplification, and digitalization of trade procedures and regulations in the transport sector. The proposed project would also support improved access to markets for women-owned enterprises. The Water Demand Management and Productivity project aims to achieve efficient and sustainable use of scarce groundwater resources while increasing the incomes of its users. This compact also includes key reforms to improve groundwater management and irrigation, in support of Tunisia's NDC priority sectors of water resources and agriculture. This proposed project would focus on policy and institutional reforms as well as the rehabilitation and modernization of public irrigated perimeters in four interior governorates of Tunisia.

Finally, the proposed compact also features the ACFD in Tunisia, a project that will catalyze and enable investment from the DFC and the private sector that supports or complements compact project objectives. MCC plans to complete compact negotiations with the Government of Tunisia in May 2021 and present the compact for MCC Board approval in June 2021.

Lesotho (Total Compact: \$310 million)

In December 2017, MCC's Board of Directors selected Lesotho to continue the development of a compact, following a two-year hiatus in which the Board of Directors monitored the country's response to a series of governance and political stability concerns. The MCC team and its local counterparts identified the binding constraint to growth is ineffective policy planning, coordination, and execution, which prevents the Government of Lesotho from delivering public goods and services essential for private sector growth. MCC is developing a potential project with the Government designed to improve capital investment through policy and institutional reforms, a catalytic investment in irrigation infrastructure, and technical assistance to support small- and medium-sized enterprises; and a proposed project to strengthen the financial sustainability and accountability of the Ministry of Health through improved evidence-based decision-making and delivery of primary health care.

In June 2020, Lesotho was downgraded to Tier 3 on the State Department's annual Trafficking in Persons report. In response, MCC informed the Government that MCC will continue to explore potential projects as part of compact development, but that MCC will not present any proposed compact to its Board of Directors until Lesotho is removed from Tier 3. MCC expects to conclude development of the compact program in late 2021.

Results from Lesotho's 2007 Compact

MCC's initial compact in Lesotho closed in September 2013. The \$362.5 million compact constructed or renovated 138 clinics and 14 outpatient facilities that supported the work of the President's Emergency Plan for AIDS Relief to mitigate the impacts of poor maternal health, HIV/AIDS, tuberculosis and other diseases; and funded the construction of a water treatment plant as part of the Metolong Dam project,

which provides clean water to the capital city, Maseru. Through the compact, the Government of Lesotho constructed over 29,000 latrines and 175 water systems, and after the end of the compact it completed another 75 water systems with its own funds. MCC expects approximately one million people to benefit from the compact investments. The Lesotho Compact Closed Compact Report is linked [here](#).

Indonesia

In December 2018, MCC's Board of Directors selected Indonesia to develop a second compact. The Government of Indonesia convened a panel of experts to work closely with MCC on a constraints analysis, which revealed three primary constraints to Indonesia's economic growth: (1) barriers to export-oriented competitiveness, (2) barriers to the productivity and innovation of non-tradable sector firms, and (3) costly and underdeveloped financial intermediation.

Following an examination of the root causes of these constraints, the Government and MCC will consider opportunities to improve financial intermediation for sustainable infrastructure and for micro, small, and medium-sized enterprises (MSMEs), particularly those owned by women, as potential areas of focus for a compact. Projects target core problems on low supply of finance for transport and logistics infrastructure investments, as well as the inability of the infrastructure sector to absorb what finance is available; and the low supply of finance available to MSMEs, as well as the inability of MSME borrowers to access financial products.

In January 2021, the Government established a Steering Committee to help guide Indonesia's compact development efforts. This committee—which includes representatives from across government, civil society, academia, and the private sector—will provide critical input into the project proposals that the Government plans to present to MCC in May 2021. To help the Government prepare for this submission and to further define the proposed activities, MCC and the Government executed an \$8 million Compact Development Funding Agreement in February 2021 that will support key studies and preparatory works. MCC expects to conclude compact development in FY 2023.

Results from Indonesia's 2011 Compact

MCC's initial compact in Indonesia closed in April 2018. During the five-year term of the compact program, the Government disbursed \$474 million to support modernization of public procurement functions, improvements in health and nutrition, and sustainable energy and resource management. The nutrition project trained over 17,500 providers on prenatal health services; distributed medical supplies; and conducted over 4,200 community sanitation behavior change meetings across 64 districts to combat low birth weight, childhood stunting, and childhood malnourishment. The procurement modernization project trained over 1,000 procurement professionals (24 percent of whom are women) to apply modern procurement and management skills in the national and local governments in ways that will increase procurement quality and achieve substantial savings. The energy project established a market-responsive grants financing facility that supported 66 projects for renewable energy, peatland restoration, sustainable agriculture, and improved natural resource management. The project also trained over 127,000 farmers (including over 43,000 women) in climate-smart agriculture, natural resource management, social forestry, and renewable energy. The implementation of the compact program reinforced community

ownership and innovation through flexible, scalable approaches that allowed for emerging opportunities. The Indonesia Compact Star Report is linked [here](#).

Mozambique

In December 2019, MCC's Board of Directors selected Mozambique to develop a second compact. In January 2020, the Government of Mozambique nominated the former Minister of Agriculture as National Coordinator for compact development. MCC signed an initial engagement agreement with the Government in July to provide funding to support the formation of a counterpart team. After completing the constraints to economic growth analysis and narrowing the binding constraints to the agriculture and transport sectors, MCC is now in the problem diagnosis phase of compact development and expects to complete compact development in 2023.

Results from Mozambique's 2008 Compact

MCC's first compact in Mozambique closed in September 2013. The \$506.9 million compact aimed to increase the country's economic growth and reduce poverty by investing in four project areas: water and sanitation, roads, land tenure, and agriculture. Under the compact, project teams constructed more than 614 rural water points, upgraded and expanded two municipal drainage systems, and upgraded and expanded two urban water supply systems. The compact also funded the construction of 253 kilometers of improved road, the mapping of nearly 8.8 million rural hectares of land, and the formalization of nearly 150,000 urban land titles. Furthermore, the compact supported the training of 15,000 farmers in pest and disease surveillance and control and planted 780,000 disease-resistant seedlings. MCC anticipates the compact to benefit over 2,600,000 Mozambicans over 20 years. The Mozambique Compact Closed Compact Report is linked [here](#).

Sierra Leone

Since MCC's Board selected Sierra Leone as eligible to develop a compact at the December 2020 Board meeting, the Government of Sierra Leone has moved proactively to launch compact development. In January 2021, Vice President Mohamed Jalloh led a delegation to Senegal to learn best practices from its experience developing two MCC compacts. The Government set up its compact development team and is working with MCC to update the constraints to growth analysis completed in 2013. In April 2021, MCC and the Government signed an Initial Engagement Grant Agreement to support the Government's compact development team.

Compact Development Process Overview

	Preliminary Analysis	Problem Diagnosis	Project Definition	Project Development	Negotiation
Eligible Country	<ul style="list-style-type: none"> Names a National Coordinator and puts together a compact development team Analyzes constraints to economic growth, opportunities for private investment and poverty reduction Undertakes broad consultations with stakeholders 	<ul style="list-style-type: none"> Expands compact development team Analyzes key root causes of binding constraints Defines, develops initial project ideas to address constraints Submits Concept Notes 	<ul style="list-style-type: none"> Defines and scopes specific projects and activities Builds strong project logic for proposed compact program Identifies intended beneficiaries Consults stakeholders on project design Submits detailed Project Proposals 	<ul style="list-style-type: none"> Conducts feasibility, environmental and other studies Measures expected economic impact Identifies risks and mitigation measures Begins establishing structures needed in implementation 	<ul style="list-style-type: none"> Finalizes monitoring and evaluation framework Negotiates legal, financial, technical terms of program Creates dedicated MCA unit for implementation
MCC	<ul style="list-style-type: none"> Staffs a country team Provides compact development guidance Advises and assists with analyses 	<ul style="list-style-type: none"> Reviews, approves Concept Notes Approves concept projects for further development 	<ul style="list-style-type: none"> Reviews, approves Project Proposals Approves projects for full development and appraisal 	<ul style="list-style-type: none"> May fund necessary preparatory studies Oversees, manages procurements Conducts thorough project appraisal Makes final decision on projects 	<ul style="list-style-type: none"> Notifies Congress of intent to negotiate Defines budget and commits funding Obtains approval of MCC's Board Signs agreements

2013-017-1246-05

Compact Portfolio Status Report

	FY 2021				FY 2022				FY 2023			
Country	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Tunisia	Project Development	Neg.	Implementation Prep						Implementation			
Timor-Leste	Project Development		Neg.	Implementation Prep						Imp.		
Kosovo	Project Development			Neg.	Implementation Prep						Imp.	
Lesotho II	Project Development			Neg.	Implementation Prep						Imp.	
Benin & Niger Regional Transport	Project Development				Neg.	Implementation Prep						
Malawi II	Proj. Def.	Project Development					Neg.	Implementation Prep				
Burkina Faso & Côte d'Ivoire Regional Energy	Project Development						Neg.	Implementation Prep				
Indonesia II	Project Definition		Project Development					Neg.	Imp. Prep			
Mozambique II	Prelim. Analysis	Project Definition					Project Development			Neg.		
Sierra Leone	Elig.	Preliminary Analysis		Project Definition			Project Development					

2018-017-2043-05

Compact Development Stage	Description
Eligibility Notification	Initial notification of eligibility, made annually at December MCC Board Meeting.
Preliminary Analysis	Country selects a core team, analyzes constraints to growth, completes a social and gender assessment as well as an investment opportunities assessment; conducts social and gender assessment and initiates broad public consultations.
Project Definition	Country prepares concept notes and subsequently more detailed concept papers for each proposed investment. MCC conducts initial project assessment.
Project Development	Country and MCC conduct feasibility and design studies as well as environmental and social impact assessments to contribute to the final scope, cost and conditions of the compact.
Negotiation	After completion of Investment Memo, the country and MCC engage in compact negotiations and the country team makes its presentation to the MCC board. This stage culminates with the signing of the compact.
Implementation Prep	Country stands up the MCA; establishes procurement and fiscal agents, IT systems and agreements; provides capacity building; and continues detailed design and planning.
Implementation	Five year period following the compact's date of entry into force, during which the compact is implemented.
CED	CED, or Compact End Date, is the last date of the compact term, representing the date the compact expires (five years after the date of entry into force) or the date the compact is terminated in accordance with its terms.
Close Out	120 day period following the Compact End Date, during which the program is closed, final invoices from contractors are submitted, final contract deliverables are reviewed and the Accountable Entity finalizes its accounting records and Final Financial Report.

Threshold Programs

(in millions of \$)	FY 2020	FY 2021	FY 2022
	Enacted	Enacted	Request
Total Appropriation/Request	905.0	912.0	912.0
Threshold Programs	45.0	31.0	31.0

MCC is requesting \$31 million in FY 2022 for threshold programs with new countries to be selected by MCC's Board of Directors in December 2021. MCC is currently developing threshold programs with Solomon Islands, The Gambia, Ethiopia, Kenya, and Kiribati.

MCC threshold programs seek to incentivize improved performance on MCC's eligibility criteria and to support positive policy and institutional reforms to address binding constraints to economic growth in selected candidate countries. The Board's selection of countries for new threshold programs or the transition of existing threshold programs under development to compact assistance may lead to future shifting of funds to/from this budget line item.

Background

MCC threshold programs assist candidate countries to become compact eligible by incentivizing them to demonstrate their commitment to just and democratic governance, economic freedom, and investments in their people. By advancing policy and institutional reforms to address the most binding constraints to economic growth in a country, threshold programs complement the incentive created by the scorecard (referred to as the "MCC Effect") and allow MCC to assess the opportunity for an impactful and cost-effective partnership before committing to a larger investment through a compact. MCC uses the same rigorous, evidence-based approach in threshold programs as it does in compacts, leading to high-quality investments that have the potential for creating systemic impacts and lay the foundation for larger investments.

Threshold programs help countries to reduce constraints to faster economic growth, increase transparency and accountability in the provision of public services, and provide MCC critical information about a government's political will and capacity to undertake the types of reforms that would have the greatest impact in compacts. The recently completed threshold program with Sierra Leone has helped to create the foundation for more effective and financially sustainable provision of clean water and reliable electricity, while incentivizing the country to strengthen its overall policy performance and become compact eligible. Ongoing programs are improving secondary education in Guatemala and fostering the use of data for more transparent and accountable governance in Kosovo. The Togo threshold program, which entered into force in November 2020, will support reforms to increase private sector participation in the telecommunications sector and to improve land tenure.

Countries with threshold programs are not guaranteed compact eligibility. However, successful implementation of a threshold program yields significant advantages for a potential future compact. For

example, a partner country will likely have enhanced its ability to design and implement investments that will generate the greatest results and have a head start on the work necessary to design a high-impact compact. Even if a country does not become compact eligible, threshold programs can help create the conditions for additional investment from the private sector or by other development partners. The programs also help governments to mobilize domestic resources, spend their budgets more transparently, deliver services more efficiently, and ultimately help countries finance their own development.

Developing and Future Threshold Programs

Solomon Islands

In December 2018, MCC's Board of Directors selected Solomon Islands for threshold program assistance. Despite travel limitations associated with the COVID-19 pandemic, MCC was able to successfully complete program development. In December 2020, the MCC Board of Directors approved a \$23 million threshold program that would facilitate private investment for increased tourism and generate more reliable and sustainable benefits from the country's forest resources. Pending the conclusion of negotiations and signing of a threshold program grant agreement, MCC expects implementation to begin in early FY 2022.

The Gambia

In FY 2018, MCC's Board of Directors selected The Gambia for threshold program assistance. Program development was paused in FY 2020 due to The Gambia being placed on Tier 3 of the U.S. Department of State's Trafficking in Persons Report. The Gambia was moved to Tier 2 Watch List, from Tier 3, in FY 2021 and MCC has re-started program development with the Government. MCC plans to complete the design of an energy sector reform program and request Board approval and sign of a grant agreement in FY 2022.

Ethiopia

Since early 2019, MCC and the Government of Ethiopia have worked productively to develop a \$53 million program aimed at enhancing Ethiopia's trade capabilities and diversifying and growing its exports. MCC expects all partner countries to demonstrate an ongoing commitment to MCC's eligibility criteria, which include the protection of human rights, civil liberties, rule of law, and freedom of information, among other items. MCC is monitoring the ongoing humanitarian and human rights crisis in the Tigray region of Ethiopia, coordinating with USG counterparts on these issues, and will determine if and when the program is presented to the MCC Board.

Kenya

MCC's Board of Directors selected Kenya as eligible to develop a second threshold program in December 2019. MCC and the Government of Kenya have completed the constraints analysis, which identified lack of connectivity in urban areas and crowding out of private sector financing as the binding constraints to economic growth. The MCC and government teams are analyzing the root causes of the urban connectivity constraint to develop project concepts. MCC expects to finish program development and

sign a threshold grant agreement in FY 2022.

Kiribati

The Pacific Islands country of Kiribati was selected for a potential threshold program in December 2020. MCC is in the early stages of a constraints analysis and is coordinating closely with other bilateral and multilateral development partners in the region.

Future Programs

The funding request for FY 2022 will support programs with countries that may be selected by MCC's Board of Directors in December 2021. The average program size for threshold programs is approximately \$30 million, and the requested funding would allow MCC to begin development of threshold programs with new countries should promising candidates emerge in the annual selection process.

Compact Development and Oversight

Compact Development Funding and Due Diligence

(in millions of \$)	FY 2020	FY 2021	FY 2022
	Enacted	Enacted	Request
Total Appropriation/Request	905.0	912.0	912.0
Compact Development/Oversight:	129.0	113.5	114.0
Compact Development Funding	36.0	30.0	30.0
Due Diligence	93.0	83.5	84.0

Compact development and oversight are composed of both Compact Development Funding, as authorized under Section 609(g) of the Millennium Challenge Act, and Due Diligence funding. These funds support pre-compact planning and assessment, oversight activities during implementation, and post-compact evaluations—activities that are critical to the success of MCC programs and ensure that the agency, partner countries, and the development community may take advantage of learning created through MCC programs.

For FY 2022, MCC requests \$114 million for compact development and oversight, including \$30 million for Compact Development Funding and \$84 million for Due Diligence to support monitoring, programmatic oversight, and data collection and evaluation.

Compact Development Funding ²

Compact Development Funding allows MCC to award contracts or grants to any eligible countries for the purposes of facilitating the development or implementation of a compact, as noted in section 609(g) of MCC's authorizing statute. Laying the groundwork for compact programs helps MCC improve the quality of its compact programs and the ability of its partner countries to implement compacts successfully. Such essential groundwork includes project design studies, feasibility studies, environmental impact assessments, engineering and geotechnical designs, economic baseline surveys, technical assessments of financial management and procurement capabilities, and other specialized analyses that help partner countries fully prepare projects that can be implemented within the fixed five-year timeframe, within budget, and achieve substantial results for compact programs.

Due Diligence

MCC utilizes due diligence funds at every stage of the compact and threshold program lifecycle. Due diligence funds allow MCC to obtain information that is necessary to evaluate, assess, and appraise proposed projects during compact and threshold development, to effectively oversee and monitor projects during implementation, and to evaluate the results after closeout. These funds are used to procure the

requisite technical expertise throughout the compact and threshold lifecycles, allowing MCC to right-size support based on the relative size and diversity of its portfolio. Due diligence funds are also used after compact closure to commission independent impact evaluations that use rigorous statistical methods to measure changes in beneficiary incomes related to MCC activities. In addition to offering valuable lessons on how MCC can improve, impact evaluations provide critical information about program successes that are also useful for the broader development community.

Due diligence funds also support data and technical expertise needed for calculating economic rates of return for compact projects. Through pre-compact economic modeling of expected economic rates of return, MCC chooses which projects are most likely to generate benefits—specifically with regard to increased income for program beneficiaries—and serves to refine program design to optimize results. Economic modeling after compact closeout helps to assess the cost effectiveness of the agency’s programs.

Administrative Expenses

(in millions of \$)	FY 2020 Enacted ³	FY 2021 Enacted	FY 2022 Request
Total Appropriation/Request	905.0	912.0	912.0
Total Administrative Expenses	107.0	112.0	115.0
Human Capital	64.5	65.3	66.8
Training	0.3	1.0	1.0
Overseas Operations	9.0	11.3	11.7
Contracted Services	8.1	9.1	7.5
Information Technology	15.0	15.0	15.1
Rent, Leasehold & Improvements	6.3	6.9	6.9
Travel	3.4	3.5	6.0
Other Administrative Expenses	0.4	-	-

MCC is requesting \$115 million to fund administrative functions in support of agency operations. MCC has been utilizing both prior year funds and newly appropriated funds to cover administrative expenses in support of the mission. Reliance on the availability of prior year funds to offset operating expenses for the past several years, coupled with a flat appropriation, forced the agency to limit support for new initiatives and modernization of its technology platforms. In the same timeframe, MCC has seen disproportionate growth in its overseas support costs and inflationary expenses. To mitigate significant changes and impacts to the administrative support functions in light of growing inflationary increases and overseas support costs, MCC is seeking an increase to the FY 2022 administrative expense cap.

The predominance of the administrative budget covers MCC's people, i.e., human capital, enabling the agency to successfully carry out its mission to reduce poverty through economic growth.

Additionally, administrative expenses cover critical mission support functions such as financial management and oversight, domestic and international security, human resource and overseas administrative support, contracts and grants acquisition, travel support, information technology and cybersecurity, risk management, internal controls, audit compliance, and facilities management and rent.

Finally, administrative expenses cover the costs of MCC personnel travel to overseas partner countries to collaborate on development, oversee and consult during implementation, and measure and assess the success of MCC programs. While travel expenses have remained lower in FY 2020 and FY 2021 due to COVID, it is expected that as risks diminish, travel will gradually ramp up to nearly pre-COVID levels. In addition, MCC recognizes that there could be an increase in travel costs in a post-COVID environment.

With this funding request, MCC will be able to support the FY 2022 portfolio through the retainment and

competitive recruitment of high-caliber staff, quality program oversight, digital advancement and maintenance, and continued assurance MCC complies with high standards and necessary regulations.

Human Capital

MCC achieves its mission largely through its highly effective workforce. During this fiscal year, the agency continued work on developing a comprehensive human capital management plan to ensure MCC is appropriately staffed to achieve its mission, strategic priorities, and operations support. Through more strategic management of human capital, MCC aims to identify core, leadership, and role-based technical competencies, determine the workforce necessary to achieve the mission and strategic priorities, and build a strategy to address differences between current workforce composition and staff competencies as well as forecasting the workforce or competency needs.

Within the administrative expenses budget line, the FY 2022 budget request includes \$66.8 million for human capital expenses, including maintaining MCC's merit pay, or pay-for-performance framework, which incorporates pay raises based on performance metrics against established criteria for each position. Much like the General Schedule pay scale, MCC also includes moderate increases to the established pay bands. Both adjustments are in line with standard inflationary increases for full-time equivalent (FTE) civil servants and in FY 2022, MCC will continue to maintain appropriate funding levels in support of existing staff, assess positions that become vacant, and determine workforce requirements in support of carrying out the agency and administration's priorities.

Overseas Operations

MCC maintains a light but highly effective footprint in the countries where it operates. In FY 2022, MCC requests \$11.7 million to continue supporting overseas administrative operations, including local-engaged staff salaries and benefits and resident country management team costs including rent, residential allowances, relocation expenses, travel, shipping, office and residential furniture, IT equipment, and official vehicles. MCC also contributes its cost share of the International Cooperative Administrative Support Services (ICASS) and Capital Security Cost Share (CSCS) administered by the Department of State. MCC anticipates a significant increase of roughly \$1.3 million above the FY 2021 budget request to operate overseas, largely due to ICASS and CSCS managed by the Department of State. Although MCC continuously reviews the costs related to overseas operations in order to maximize the use of funding while providing adequate support towards our relatively small overseas presence (typically two FTE per country), MCC continues to see an upward trajectory in year over year ICASS and CSCS costs and anticipates potential necessity for enhanced security in support of MCC's portfolio of countries. In FY 2022, MCC will provide support for overseas operations in countries with compacts that were authorized an extension due to COVID-19.

Information Technology

MCC is planning \$15.1 million for information technology (IT) support for FY 2022.

IT has an integral role in supporting agency-wide initiatives, including process automation, the

publication of procurement data, communication and cloud-based collaboration tools, and ongoing improvements for reporting grant disbursements for MCC's country partners. At the beginning of the COVID-19 pandemic, MCC was able to quickly pivot to maximum telework because the agency already had the necessary IT systems and hardware in place. MCC continues to upgrade infrastructure and systems through incremental deployments and uses a multi-year approach to address its technology backlog. Demand for digital services remains high, playing a central role in supporting MCC's mission-focused systems, and the funding requested would ensure efficiency and effectiveness can be delivered through secure, reliable applications and systems without stagnation in technology relevancy.

MCC controls equipment support costs by maintaining standardization across the enterprise. MCC has increased the use of shared services and FedRAMP-based solutions for supporting commodity-based IT requirements. IT plays an increasingly important role in supporting MCC's mission through mobility, online collaboration, and virtual training. Cybersecurity threats keep evolving, and overall risk remains high. MCC continues to enhance its monitoring and behavior analytics capabilities and is integrating them with its Security Operations Center. MCC participates in annual Federal Information Security Management Act audits conducted by the USAID Office of Inspector General (OIG), and reports to Congress and OMB on the findings and recommendations. MCC is also planning additional improvements to the Identify, Credential, and Access Management program. The agency remains committed to developing capabilities with the Department of Homeland Security Continuous Diagnostic Monitoring Program and has requested to participate in the Vulnerability Disclosure Program.

MCC recently designated a Chief Data Officer, in alignment with requirements under the Foundations for Evidence-Based Policymaking Act (2019) and will continue investing in leveraging data as a strategic asset and participating in open data and transparency initiatives. MCC is migrating millions of records to a cloud-based repository that will have controls compliant with National Archives and Records Administration policies and guidance. The agency is on track to migrate to Enterprise Infrastructure Services by the 2023 deadline.

Rent

The FY 2022 budget request reflects the nominal percentage increase within the occupancy agreement for office space at MCC's headquarters. MCC will continue to evaluate the use of its headquarters space, proactively using space planning technology for seat management as well as conference and meeting space requirements, maintaining a relatively small footprint.

Office of the Inspector General

(in millions of \$)	FY 2019 Enacted	FY 2020 Enacted	FY 2021 Request
Total Appropriation/Request	905.0	912.0	912.0
Office of the Inspector General	4.5	4.5	4.5

The estimates for the funding level of the Office of Inspector General in this submission are based on the FY 2021 enacted appropriation and the current amount authorized in the Millennium Challenge Act of 2003, as amended, for this purpose. MCC and OIG establish an interagency agreement on an annual basis in support of oversight of MCC's program by the OIG.

Appendix: Annual Performance Report

Compact Amounts at Signing and Key Dates (\$ millions)*

Compact Amounts at Signing and Key Dates (\$ millions)*

Partner Country	Compact Amount	Signed	Entry Into Force	Compact End Date
Madagascar	\$109.8	04/18/2005	07/27/2005	08/31/2009
Honduras	\$215.0	06/14/2005	09/30/2005	09/30/2010
Cabo Verde	\$110.1	07/05/2005	10/18/2005	10/18/2010
Nicaragua	\$175.0	07/15/2005	05/26/2006	05/26/2011
Georgia	\$395.3	09/12/2005	04/07/2006	04/07/2011
Benin	\$307.3	02/22/2006	10/06/2006	10/06/2011
Vanuatu	\$65.7	03/02/2006	04/28/2006	04/28/2011
Armenia	\$235.7	03/27/2006	09/29/2006	09/29/2011
Ghana	\$547.0	08/01/2006	02/16/2007	02/16/2012
Mali	\$460.8	11/13/2006	09/18/2007	08/24/2012
El Salvador	\$460.9	11/29/2006	09/20/2007	09/20/2012
Mozambique	\$506.9	07/13/2007	09/22/2008	09/22/2013
Lesotho	\$362.6	07/23/2007	09/17/2008	09/17/2013
Morocco	\$697.5	08/31/2007	09/15/2008	09/15/2013
Mongolia	\$284.9	10/22/2007	09/17/2008	09/17/2013
Tanzania	\$698.1	02/17/2008	09/17/2008	09/17/2013
Burkina Faso	\$480.9	07/14/2008	07/31/2009	07/31/2014
Namibia	\$304.5	07/28/2008	09/16/2009	09/16/2014
Senegal	\$540.0	09/16/2009	09/23/2010	09/23/2015
Moldova	\$262.0	01/22/2010	09/01/2010	09/01/2015
Philippines	\$433.9	09/23/2010	05/25/2011	05/25/2016
Jordan	\$275.1	10/25/2010	12/13/2011	12/13/2016
Cabo Verde	\$66.2	02/10/2012	11/30/2012	11/30/2017
Indonesia	\$600.0	11/19/2011	04/02/2013	04/02/2018

Partner Country	Compact Amount	Signed	Entry Into Force	Compact End Date
Malawi	\$350.7	04/07/2011	09/20/2013	09/20/2018
Zambia	\$354.8	5/10/2012	11/15/2013	11/15/2018
Georgia	\$140.0	07/26/2013	07/01/2014	07/01/2019
El Salvador	\$277.0	09/30/2014	09/09/2015	09/09/2020
Liberia	\$256.7	10/02/2015	01/20/2016	01/21/2021
Ghana	\$498.2	08/05/2014	09/06/2016	
Benin	\$375.0	09/09/2015	06/22/2017	
Morocco	\$450.0	11/30/2015	06/30/2017	
Niger	\$437.0	07/29/2016	01/26/2018	
Côte d'Ivoire	\$524.7	11/07/2017	08/05/2019	
Mongolia	\$350.0	07/27/2018	03/31/2021	
Senegal	\$550.0	12/10/2018		
Nepal	\$500.0	09/14/2017		
Burkina Faso	\$450.0	08/13/2020		

* Please note that the values above are the signed compact amounts and do not reflect lower actual expenditures due to early terminations or funds for a compact not being fully spent. The table on the following page reflects the net obligations/commitments associated with each compact.

Compact Commitments, Obligations, and Plan

As of Second Quarter FY 2021

\$'s in millions

Country Program	Fiscal Year of appropriation											TOTAL
	2012 & Prior	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	
El Salvador II	117	160	-	-	-	-	-	-	-	-	-	\$277
Ghana II*	17	277	15	-	-	-	-	-	-	-	-	\$308
Liberia	-	-	-	257	-	-	-	-	-	-	-	\$257
Benin II	-	207	-	168	-	-	-	-	-	-	-	\$375
Morocco II	114	1	169	166	-	-	-	-	-	-	-	\$450
Niger	58	-	-	-	379	-	-	-	-	-	-	\$437
Nepal	108	10	-	69	107	129	77	-	-	-	-	\$500

	Fiscal Year of appropriation											
Country Program	2012 & Prior	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	TOTAL
Cote D'Ivoire	41	9	272	10	26	167	-	-	-	-	-	\$525
Mongolia	100	-	-	1	-	95	154	-	-	-	-	\$350
Senegal II	21	-	1	-	-	-	447	81	-	-	-	\$550
Burkina Faso II	17	-	85	-	-	-	-	309	39	-	-	\$450
Committed & Obligated	\$592	\$664	\$541	\$671	\$512	\$391	\$678	\$390	\$39	\$ -	\$ -	\$4,479
	Fiscal Year of appropriation											
Country Program	2012 & Prior	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	TOTAL
Tunisia	124	-	-	-	135	-	-	68	138	34	-	\$499
Lesotho II	-	-	145	-	-	-	-	113	53	-	-	\$310
Timor-Leste	-	-	-	-	-	-	-	-	291	-	90	\$381
Malawi II	-	-	-	-	-	-	-	-	27	243	80	\$350
Kosovo	-	-	-	-	-	-	-	50	-	74	76	\$200
Regional Transport	-	-	-	-	-	-	-	-	-	300	150	\$450
Regional Energy	-	-	-	-	-	-	-	-	-	-	252	\$252
Indonesia II	-	-	-	-	-	-	-	-	-	-	-	\$ -
Mozambique II	-	-	-	-	-	-	-	-	-	-	-	\$ -
Sierra Leone	-	-	-	-	-	-	-	-	-	-	-	\$ -
Compact Extensions*	37	-	-	-	-	-	-	-	21	-	-	\$57
Planned	\$161	\$ -	\$145	\$ -	\$135	\$ -	\$ -	\$230	\$529	\$651	\$648	\$2,498

*Per the Consolidated Appropriations Act, 2021 (P.L. 116-260), MCC has been authorized to extend any compact in implementation as of January 29, 2020, for up to one additional year to account for delays related to the COVID-19 pandemic. Prior year funds are planned to be utilized to cover program administration, supervision, and oversight costs for the period of extension in support of five compacts currently undergoing implementation.

Closed Compacts

As of Second Quarter FY 2021

	Fiscal Year of appropriation									
Country Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	Total
Armenia	-	177	-	-	-	-	-	-	-	\$177
Benin	-	302	-	-	-	-	-	-	-	\$302
Burkina Faso	-	-	-	-	475	-	-	-	-	\$475

	Fiscal Year of appropriation									
Country Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	Total
Cabo Verde	109	-	-	-	-	-	-	-	-	\$109
Cabo Verde II	-	-	-	-	-	-	-	-	66	\$66
El Salvador	-	-	362	88	-	-	-	-	-	\$450
Georgia	290	24	-	17	56	-	-	-	-	\$387
Georgia II	-	-	-	-	-	-	-	-	139	\$139
Ghana	-	536	-	-	-	-	-	-	-	\$536
Honduras	204	-	-	-	-	-	-	-	-	\$204
Indonesia	-	49	-	-	-	-	-	425	-	\$474
Jordan	-	-	-	-	-	55	218	-	-	\$273
Lesotho	-	-	-	358	-	-	-	-	-	\$358
Madagascar	86	-	-	-	-	-	-	-	-	\$86
Malawi	-	-	-	-	-	-	208	137	-	\$345
Mali	-	-	434	-	-	-	-	-	-	\$434
Moldova	90	16	8	1	9	86	49	-	-	\$259
Mongolia	-	-	-	269	-	-	-	-	-	\$269
Morocco	-	72	578	-	-	-	-	-	-	\$650
Mozambique	-	-	-	448	-	-	-	-	-	\$448
Namibia	-	-	-	219	76	-	-	-	-	\$296
Nicaragua	113	-	-	-	-	-	-	-	-	\$113
Philippines	-	-	-	-	-	-	385	-	-	\$385
Senegal	-	-	-	-	-	433	-	-	-	\$433
Tanzania	-	-	-	-	695	-	-	-	-	\$695
Vanuatu	-	65	-	-	-	-	-	-	-	\$65
Zambia	-	-	-	-	-	-	-	-	332	\$332
Closed Compacts	\$891	\$1,242	\$1,383	\$1,400	\$1,310	\$574	\$860	\$561	\$536	\$8,758

Threshold Program Amounts at Signing and Key Dates (\$ millions)*

Country	Threshold Program Amount	Signed	Completed
Burkina Faso	\$12.9	07/22/2005	09/30/2008
Malawi	\$20.9	09/29/2005	09/30/2008
Albania	\$13.9	04/03/2006	11/15/2008
Tanzania	\$11.2	05/03/2006	12/30/2008
Paraguay	\$34.6	05/08/2006	08/31/2009
Zambia	\$22.7	05/22/2006	02/28/2009

Country	Threshold Program Amount	Signed	Completed
Philippines	\$20.7	07/26/2006	05/29/2009
Jordan	\$25.0	10/17/2006	08/29/2009
Indonesia	\$55.0	11/17/2006	12/31/2010
Ukraine	\$45.0	12/04/2006	12/31/2009
Moldova	\$24.7	12/15/2006	02/28/2010
Kenya	\$12.7	03/23/2007	12/31/2010
Uganda	\$10.4	03/29/2007	12/31/2009
Guyana	\$6.7	08/23/2007	02/23/2010
São Tomé & Príncipe	\$8.7	11/09/2007	04/15/2011
Kyrgyz Republic	\$16.0	03/14/2008	06/30/2010
Niger	\$23.1	03/17/2008	12/31/2015
Peru	\$35.6	06/09/2008	09/30/2012
Rwanda	\$24.7	09/24/2008	12/31/2011
Albania	\$15.7	09/29/2008	07/31/2011
Paraguay	\$30.3	04/13/2009	07/31/2012
Liberia	\$15.1	07/06/2010	12/15/2013
Timor-Leste	\$10.5	09/22/2010	03/31/2014
Honduras	\$15.7	08/28/2013	05/31/2019
Sierra Leone	\$44.4	11/17/2015	03/31/2021
Guatemala	\$28.0	04/08/2015	
Kosovo	\$49.0	09/12/2017	
Togo	\$35.0	02/14/2019	

* Please note that the values above are the signed threshold program amounts and do not reflect lower actual expenditures due to early terminations or funds for a threshold program not being fully spent.

Results of Recently-Closed Compacts and Threshold Programs

El Salvador Compact

El Salvador

Overview

MCC marked the end of the \$277 million El Salvador Investment Compact on September 9, 2020. The compact focused on regulatory reforms, education, and logistical infrastructure, with the goal of promoting private investment and economic growth in the country.

Through three interrelated projects, the compact: 1) helped Salvadorans better meet labor market demands by improving the quality of general education and technical and vocational training; 2) reduced transportation and logistics costs that impede regional trade by investing in physical and technological infrastructure; and 3) strengthened El Salvador's investment climate through regulatory and institutional reforms and introducing new partnership models with the private sector.

The Human Capital Project's Education Quality Activity benefited over 73,000 students by rehabilitating 45 schools, increasing classroom time by nearly 60 percent (from 25 to up to 40 hours per week), and training over 5,600 instructors. To address gender imbalance and disparity, a Gender Policy was developed and implemented at the Ministry of Education, Science, & Technology. The activity also supported the creation of an education management system (SIGES). The system tracks student performance, gathers information, and helps monitor the education system nationally, for more relevant and efficient decision-making, design, and implementation of education projects. To strengthen the links between labor market demand and skill supply, the Technical Vocational Education & Training (TVET) Activity created El Salvador's first TVET Coordination Council that determined national skill requirements and developed certificates for trainees to set national standards for job qualifications. Over 470 people enrolled in MCC-supported trainings in nine different sectors. Additionally, MCC supported technical assistance to identify market trends and determine training needs that were not covered by the training institutes within the nine business chambers.

Through the Investment Climate Project's (ICP) Partnership Development Activity, El Salvador introduced its first-ever public-private partnerships (PPP). In 2020, a \$57 million contract to improve the cargo terminal at El Salvador's international airport was awarded and a procurement for a highway video lighting and surveillance concession was launched. The Compact also introduced a new model whereby the Government of El Salvador leveraged private sector funding by allocating its limited resources to strategic public sector investments. Nine investment agreements were signed between the public and private sectors, through which a \$75 million combined investment from MCC and the Government leveraged \$150 million in private investment to support two technical assistance projects, five water, sanitation, and irrigation projects, one border crossing, and one road bypass. The Regulatory Improvement Activity alleviated bureaucratic red tape to allow firms in El Salvador to carry out quicker and more profitable business transactions. This was achieved by creating a Regulatory

Improvement Body (OMR), a National Registry of Procedures to help streamline required procedures and costs, and a framework for the Government to analyze its regulations and identify changes and reforms that would improve efficiency and increase transparency in the most common business processes.

The Logistical Infrastructure Project expanded approximately 27 km of the coastal highway, one of El Salvador's most important highways for regional trade. MCC's investments supported infrastructure and technological work at the El Amatillo border crossing (Honduras) with the aim to reduce wait times at the border and ease the flow of regional trade.

This compact was MCC's first program to close during the COVID-19 pandemic and was heavily impacted by its effects. While several project completion dates were delayed due to the pandemic, the Government demonstrated its commitment to country ownership and the shared investments and agreed to continue funding and managing the implementation of the remaining projects, which are estimated to be completed by mid-2021.

Policy Reforms	<p>In order to maximize the success and sustainability of the El Salvador Investment Compact, MCC partnered with the Government to implement several reforms.</p> <p>Human Capital Project</p> <p>To maximize the sustainability of the investments and improve school management, the Human Capital Project supported policy reforms to improve oversight of schools and TVET programs. Through this project, the Ministry of Education, Science, and Technology (MINEDUCYT) created an operations and maintenance plan to oversee the 45 school clusters that benefited from the Compact. Other important reforms include: the incorporation of Vocational Technical Baccalaureates in each school cluster to expand the educational offerings; the management information system for education (SIGES); the creation of a Gender Unit within MINEDUCYT and the adoption of a gender policy; the development of a National Evaluation Unit, and an increase in the education budget.</p> <p>To strengthen the links between industry demand and the TVET skills supplied by the market, a Technical Education and Professional Training Coordination Council was created. This Council, comprised of MINEDUCYT, INSAFORP (Salvadoran Institute for Professional Training), and the Board of Sector Committees, coordinates education and job trainings and plans to establish national benchmarks for job qualifications. The Council will allow private and public sectors to bridge the gap between public education and job market demands.</p> <p>Investment Climate Project</p> <p>The reforms implemented through this project helped El Salvador better compete for foreign investments while improving business processes locally. The reforms focused on reducing bureaucracy and red tape and increasing trade facilitation by streamlining border crossing and customs procedures. Additionally, they supported increased transparency and alignment between local and national policies.</p> <p>Logistical Infrastructure Project</p> <p>To ensure longevity of MCC investments, the Government passed a financial reform in 2020 to increase funding to El Salvador's Road Conservation Fund (FOVIAL), a compact condition precedent. This reform ensures an annual allocation of funding for road maintenance, in line with international best practices.</p>
-----------------------	--

Outputs (preliminary)	<p>Human Capital Project</p> <ul style="list-style-type: none"> • 5,709 instructors trained • 349 Fomilenio-supported schools used and recorded information in SIGES • Eight legal, financial, and policy reforms adopted • By the end of the compact, 37 educational facilities were constructed or rehabilitated • 13 new technical course options offered with each of the new technical baccalaureates • 1,312 teachers completed training on non-sexist practices • 44 action protocols on sexual violence incidents were socialized • Two agreements for internships with the private sector were developed • Defining indicators for TVET monitoring and planning completed on August 25, 2020 • A roadmap for the creation of a national qualifications' framework was completed on August 18, 2020 <p>Investment Climate Project</p> <ul style="list-style-type: none"> • Permanent institutionalization of the OMR was completed on August 27, 2019. • There was one competition in the PPP awarding process. • By the end of the compact, 96 people were trained on PPP skills. • One project was completed under the El Salvador Investment Challenge (ESIC). <p>Logistical Infrastructure Project</p> <ul style="list-style-type: none"> • Annual allocated road maintenance funding for FOVIAL amounted to \$47,979,249.
Preliminary and Expected Outcomes	<p>Improved labor force by providing better general and technical education, and professional training in skills that matched the demands of international trade firms.</p> <p>Increased competitiveness in trade and an increase in private investment by reducing bureaucracy in El Salvador's regulatory framework and building institutional capacity in the country.</p> <p>Reduced costs of transportation and necessary logistics and increased investment and productivity in the trade of goods and services, including relieving traffic at critical sections between the main border crossing with Honduras at El Amatillo, the Ports of La Union and Acajutla, and the international airport (SAL).</p>

Evaluations	<p>Human Capital Project</p> <p>The evaluation of the Education Quality Activity is comprised of two analyses. The first, a performance evaluation, will answer the following questions: how each component of the activity was implemented, were targets met, what helped and what hindered implementation of the activity, and what are the plans for sustainability. The second analysis, an impact evaluation, is focused on the Full-Time Inclusive Model Sub-Activity and compares outcomes for MCC-funded schools to outcomes for non-funded schools. The evaluation will measure the impact of the program on student dropout, academic performance, quality of education (as measured by time-on-task in the classroom), and other outcomes. The evaluation design report and baseline report can be found in MCC's evaluation catalog.</p> <p>The baseline report was completed in April 2019, and the final report is expected in 2023.</p> <p>The evaluation of the TVET System Reform Activity will answer, qualitatively, questions such as: which courses were implemented, how the courses were implemented and what the perceived benefits of these courses were for trainees and for firms. In addition, the evaluation will assess the sustainability of key activities, such as the establishment of the Sector Committees, the Board of Sector Committees, and the Coordination Council, as well as which courses did sectors implement after the compact and how was the FOMELENIO II-purchased equipment used. Also, the evaluation will assess trainees' perceived benefits from program participation, such as changes in their work responsibilities and tasks, perceived improvements in their work performance or work conditions, etc. The design report for this evaluation can be found in MCC's evaluation catalog.</p> <p>There is no baseline report, and the final report is expected in 2023.</p> <p>Investment Climate Project</p> <p>MCC published the interim report for the Investment Climate Project in June 2020, which includes early findings from all activities and sub-activities of the Investment Climate Project. The evaluation involves an analysis of data from affected institutions before and after the compact, surveys, interviews, and focus groups, to assess whether the program was implemented correctly, and its results and sustainability.</p> <p>The Key Findings of the Investment Climate Interim Evaluation Report (June 2020) include:</p> <ul style="list-style-type: none"> • Regulatory Improvement Activity: During the project's first
--------------------	---

three years, key milestones were achieved to help establish a system to improve trade policies.

- **Public-Private Partnerships (PPP) Sub-Activity of the Partnership Development Activity:** MCC's PPP investments—consisting of PPP training, coaching, and studies—have helped workers hone their skills in developing PPPs. Politics—more than technical or legal issues—impede MCC-supported PPPs.
- **El Salvador Investment Challenge Sub-Activity of the Partnership Development Activity:** By mid-2019, the sub-activity had committed \$75 million to funding public goods, meeting its funding target. Although the sub-activity's public goods have generated new private investment, the amount of investment is unclear. Some firms reported that they would have invested even in the sub-activity's absence, while several reported investing more or sooner than planned because of the Investment Challenge Fund. As of mid-2019, the newly established El Salvadoran Organization for Improved Regulation and its partner institutions had had mixed success in executing legal and administrative reforms.

A final evaluation report that covers the full set of evaluation questions is underway and results will be available in 2024.

Logistical Infrastructure Project

The evaluation of the Logistical Infrastructure Project will utilize the Highway Development Model IV to assess the economic benefits of the road and border crossing improvements. The evaluation will cover the following research areas:

- Project Implementation
- Engineering Analysis and Economic Modeling
- Road Maintenance
- Road Usage and Changes in Road Usage
- Transportation Market Structure
- Border Crossing Infrastructure at El Amatillo
- Border Crossing Infrastructure at Anguiatu

A final evaluation report that covers the full set of evaluation questions is underway and results will be available in 2023.

Liberia Compact

Liberia Compact

Overview

On January 20, 2021, MCC concluded the Liberia Compact, with 92.1 percent of the \$256.7 million budget disbursed. The Compact's Energy Project (\$209 million) and Roads Project (\$20 million) aimed to encourage economic growth and reduce poverty in Liberia by addressing the inadequate access to reliable and affordable electricity in the country and the poor quality of road infrastructure.

The Energy Project is expected to benefit 528,000 Liberians over the long term by increasing the reliability and affordability of electricity. MCC's investment of \$151.5 million in the Mount Coffee Rehabilitation Activity, added to \$212 million from three European funders, resulted in the reconstruction of the Mount Coffee Hydropower Plant (MCHPP), which was destroyed during Liberia's 14-year civil war. Completed in 2018, the 88-megawatt MCHPP is the largest source of power and renewable energy supply for LEC, Liberia's public electric utility. MCHPP enabled LEC to provide more reliable and affordable power supply to over 76,000 homes, businesses, and other entities, a three-fold increase since 2015. The electricity tariff reduced by 37.5 percent.

The \$23.7 million Mount Coffee Support Activity aimed to provide additional support to the MCHPP Rehabilitation Activity in part to mitigate environmental and social impacts and ensure long-term sustainability. In addition to supporting small-scale community infrastructure, the Activity funded the construction of a new, larger 48-inch diameter Raw Water Pipeline to replace one damaged during the civil-war. By drawing water from the Mt. Coffee reservoir and using gravity to deliver it, the new pipeline's operation eliminated the need to pump water from downstream, where an up-river tidal flow would infuse salt water. The pipeline will save the Liberia Water and Sewer Corporation (LWSC) an estimated \$780,000 annually in electricity costs.

The \$35.8 million Energy Sector Reform Activity complemented the rehabilitation of MCHPP by building the capacity of Liberia's national electric utility and investing in other reforms and capacity building to strengthen the power sector. Results from a three-year management services contract for the Liberia Electricity Corporation (LEC) included strengthened planning and operations utility wide, increased new customer connections, improved customer service, enhanced environmental performance, and the building of staff capacity. Interim independent evaluation findings have shown significant progress to stabilizing LEC. Operationally, since 2015, total electricity supply has increased almost fourfold from 4.2 million megawatt hours (MWh) to 18.5 million MWh in 2019. After prompting the passage of a law modernizing the electricity sector's legal framework, the compact also provided the seed money and technical assistance to stand-up the country's independent electricity regulator. The first commissioners and technical staff were trained and took up their duties in 2019. Regulations and other instruments have been approved and the regulator began issuing its first licenses in 2021.

	<p>The \$20 million Road Project advanced passage of new road network management laws and with the support of the U.S. Department of Transportation's Volpe Center, built a 5-year national road maintenance plan and supported a data driven approach to road maintenance.</p> <p>The Government, which faced grave fiscal challenges throughout the compact, was an active partner in meeting compact objectives. However, its commitment to policy reform was weak, particularly in regard to the Roads Project, where it failed to meet MCC conditions for disbursement of \$15 million in matching funds for maintenance of Liberia's roads. Failure to remove a presidentially appointed utility manager complicit in electricity theft and untimely payments for its own use of electricity are examples of the Government's inconsistent support of Energy Project objectives.</p>
Policy Reforms	<p>The Liberia Compact achieved or made progress toward achieving key sector policy reforms in the energy and road sectors:</p> <ul style="list-style-type: none"> • An independent electricity regulator is a key institutional feature of modern power sectors to increase private sector participation. After passage of the Liberia Electricity Law of 2015, the compact provided the seed money and technical assistance to stand-up operations of the Liberia Electricity Regulatory Commission. The first commissioners and technical staff were trained and took up their duties in 2019. Regulations and other instruments have been approved and the regulator began issuing its first licenses in 2021. • The Power Theft Act of 2019, which established penalties for illegal connections; tampering with meters, transmission and distribution lines; and theft of LEC assets including meters, light poles, wires and transformers. <p>The Roads Sector Reform Activity aimed to kick-start reform of Liberia's system of national roads maintenance by strengthening the capacity of key institutions in road data collection, road asset management, and maintenance planning. An early condition for the funding of the Roads Project was the passage of a National Road Fund Act, which provided for a dedicated national fund for road maintenance, and the Axle Load Control Law, which set weight limits on trucks operating on the nation's roads.</p>

Preliminary and Expected Outputs	<p>Energy Project</p> <ul style="list-style-type: none"> • Mount Coffee Hydropower Plant (MCHPP) was reconstructed and made operational, providing 88-megawatts of renewable power making it Liberia's single largest source of electricity. • The improved, modern design of the hydropower plant includes an emergency spillway to prevent reoccurrence of a catastrophic dam failure. • Transmission infrastructure from MCHPP to the electricity grid. • Construction of a health clinic, wells, bridges and sanitation facilities for 14 communities in the MCHPP area with wells in another 10 communities along the Raw Water Pipeline corridor. • Management Services Contractor (MSC) hired by the Liberia Electricity Corporation with activities and business plans to improve management capacity and operational performance that will help improve the financial standing of utility. Following the MCC-funded MSC, the World Bank is now poised to fund another 18-month extension of this management arrangement to help LEC in its journey to sustainability. • Equipment to improve access to electricity including transformers, meters, surge arrestors, specialized vehicles, spare parts for generators, utility poles, conductors, tools, and personal protective equipment. • Establishment of the Liberia Electricity Regulatory Commission (LERC), Liberia's independent energy regulator that published its first regulations in 2020 and issued its first licenses in 2021. • Construction of a 5-kilometer, 48-inch diameter, Raw Water Pipeline from MCHPP to the White Plains water treatment plant serving the capital, Monrovia. • Reconstructed LEC Customer Service Center to comfortably serve up to 100 customers, new offices for LEC staff, a call center equipped with better technological tools for tracking customer problems, additional rest rooms as well as facilities for physically challenged and disabled persons. <p>Roads Project</p> <ul style="list-style-type: none"> • 45 Ministry of Public Works (MPW) staff at the national and county levels and staff from other institutions trained in how to collect data and update the Highway Development and Management Software (HDM-4) used in the planning and preparation of the road maintenance plans. • Updated inventory, traffic, and condition data for all primary
---	---

paved and unpaved roads, including provision of data collection manuals and provision of traffic.

- Five-Year Road Maintenance Plan for 2019-2023 approved by the Inter-Ministerial Steering Committee (IMSC) in September 2018 and updated in 2019.
- Developed Road Asset Management System (RAMS) application for storing and analyzing road network data and trained 25 MPW and National Road Fund (NRF) staff in its use.

Preliminary and Expected Outcomes	<p>Energy Project</p> <ul style="list-style-type: none"> • Increased quality and reliability of electricity • Increased consumption of electricity and increased customer base • Increased revenue and improved financial position of the Liberia Electricity Corporation • The Liberia Electricity Regulatory Commission improves the legal, economic and technical regulation of the electricity sector <p>Raw Water Pipeline Sub Activity</p> <ul style="list-style-type: none"> • Mitigated environmental and social risk of MCHPP • Increased quality and quantity of water to the LWSC service area • Increased consistency of water supply to the LWSC service area • Lower electricity costs for water utility <p>Roads Project</p> <p>Short-Term Outcomes</p> <ul style="list-style-type: none"> • Strengthened capacities of GOL staff in planning of road network maintenance and improvement decisions • Road maintenance programming—with prioritized maintenance projects—prepared by MPW • Strengthened capacities of GOL to consistently collect standardized road network data • Consistent collection of standardized road network data by GOL • Strengthened capacities of GOL to add collected data to the Road Asset Management System (RAMS) • Routine addition of collected data on road network conditions to RAMS by GOL <p>Medium & Long-Term Outcomes</p> <ul style="list-style-type: none"> • Improved planning and execution of routine road maintenance • Improved planning and execution of periodic road maintenance • Improved planning and execution of emergency road maintenance
--	--

Evaluations	<p>Energy Project</p> <p>MCC commissioned an independent performance evaluation of the Energy Project, which will cover the following: the Mt. Coffee Hydropower Plant Rehabilitation Activity, the Energy Sector Reform Activity, the Training Activity, and the Raw Water Pipeline sub-activity.</p> <p>The pre-post evaluation of the Mt. Coffee Hydropower Plant Rehabilitation and Energy Sector Reform Activities will look at outcomes at the grid level, energy sector level, utility level, and end users. Preliminary findings from these activities were published in September 2020. The design report and baseline/interim report for this evaluation can be found in MCC's evaluation catalog. Interim findings for this evaluation will be available in 2022 and final evaluation results will be published in 2025.</p> <p>The Training Center and Raw Water Pipeline evaluations will employ an ex-post evaluation methodology, and evaluation findings will be available in early 2022.</p> <p>Roads Project</p> <p>MCC commissioned a pre-post independent performance evaluation of the Roads Project. This evaluation will principally look at outcomes related to project implementation and the new road maintenance regime, with the possibility of measuring road-usage patterns and transportation market structure if certain targets are met. Engineering analysis and economic modeling will be done as part of an Evaluation Economic Rate of Return as part of the final report, expected no later than 2024. The design report for this evaluation can be found in MCC's evaluation catalog.</p>
--------------------	--

Sierra Leone Threshold Program

Sierra Leone

Overview	<p>MCC and the Government of Sierra Leone signed a \$44.4 million threshold program on November 17, 2015 with the primary goal of strengthening the Government's capacity to effectively deliver sustainable water and electricity services, with a focus on the greater Freetown area. All program activities ended March 31, 2021, with an administrative closeout period running through July 2021.</p> <p>The \$8.3 million Regulatory Strengthening Project was designed to reinforce the Electricity and Water Regulatory Commission's role in governance and oversight of the electricity and water sectors to improve sector transparency, establish performance monitoring standards, and improve consumer engagement.</p> <p>The \$15.7 million Water Sector Reform Project was designed to improve sector coordination, commercial practices, operational capacity, planning abilities, and customer service at the utility, the Guma Valley Water Company (GVWC). As part of the project, MCC supported the development of a sector roadmap that will inform future investments across Sierra Leone's water infrastructure and the establishment of two controlled district metering areas.</p> <p>The \$12.1 million Electricity Sector Reform Project was designed to support operationalizing an institutional framework and market structure for Sierra Leone's electricity sector.</p>
-----------------	---

Preliminary and Expected Outputs	<p>Regulatory Strengthening Project (RSP)</p> <ul style="list-style-type: none"> • 25 people were trained in MCC supported regulatory capacity building activities. • 12 regulations were drafted and approved by the Parliament by December 2020. • \$1,506,146 of results-based finance (RBF) incentive payments were disbursed. <p>Water Sector Reform Project (WSRP)</p> <ul style="list-style-type: none"> • The District Metering Area (which was the focus of infrastructure works under the WSRP) was established on March 30, 2018. • 10 water supply kiosks were built. • 786 customer meters were installed or replaced. • 2.3 kilometers of water pipes were installed, replaced or rehabilitated. • 91 people were trained in MCC supported water sector capacity building activities. <p>Electricity Sector Reform Project (ESRP)</p> <ul style="list-style-type: none"> • A financial sustainability plan for the electricity sector was approved by the sector Steering Committee on June 27, 2018. • A Revised Sector Roadmap approved by the Government of Sierra Leone on July 4, 2019. • The Power Purchase Agreement between the Electricity Distribution and Supply Authority and the Electricity Generation and Transmission Company was signed on February 16, 2021. • The Ministry of Energy planning unit was established by January 1, 2020. • 62 People were trained in MCC supported electricity sector capacity building activities
---	---

Preliminary and Expected Outcomes	<p>Operationalized and increased core capacities at the Electricity and Water Regulatory Commission to ensure transparency, support the long-term financial sustainability of the water and electricity sectors, and improve overarching sector governance.</p> <p>Improved coordination in the water sector, strengthened commercial practices, operational independence, and planning capacity at GVWC, and enhanced transparency, accountability and customer service practices in order to improve financial viability, operational efficiency and customer satisfaction with water service.</p> <p>Improved financial viability of the electricity sector by operationalizing the emerging institutional framework and market structure in Sierra Leone's electricity sector, improving integrated planning capacity, and strengthening operational efficiency and corporate governance at targeted electricity sector institutions.</p>
--	---

Evaluations	<p>MCC has commissioned an independent evaluation of the threshold program which will assess the results of the RSP, WSRP and ESRP. There will not be a separate evaluation report for the RSP given that the project is linked to the program logics for the WSRP and the ESRP and integrated into those evaluations.</p> <p>While there is no baseline report, the interim evaluation report is expected later in 2021 and an endline report in 2023.</p> <p>Water Sector Reform Project</p> <p>The evaluation of the WSRP will examine the implementation of the project and assess the achievement of expected outcomes, namely the improved operational efficiency and financial viability of GVWC and the increased satisfaction of customers with the water service provide by GVWC. Results will be assessed through a performance evaluation of the Sector Coordination and Institutional Strengthening activities and related Regulatory Reform Project activities. The evaluation of the District Metering Area activity will include a performance as well as an impact evaluation (through a time series analysis of system level administrative, metering and customer billing data). In addition, household surveys and focus groups will be conducted in the areas targeted by the water project. The evaluation design report can be found in MCC's evaluation catalog.</p> <p>Electricity Sector Reform Project</p> <p>A performance evaluation will be conducted of the ESRP to assess the extent to which the project has had an impact on the strategic planning and business operations of the institutions and utilities as well as the financial viability and sustainability of transformations initiated for these entities. Data collection will include key informant interviews, process mapping, and administrative data. The evaluation design report can be found in MCC's evaluation catalog.</p>
--------------------	--

Compact Modifications

MCC employs a risk-based approach to the management of its portfolio and uses a number of mechanisms to manage projects that face potential major modifications, including the following:

- Quarterly portfolio reviews of all compacts, with a focus on high-risk projects and activities;
- Early identification of high-risk projects;
- Close collaboration with partner countries to develop plans to prevent, mitigate and manage project restructuring; and
- Approval of modifications at the appropriate level.

MCC also conducts due diligence on programs in advance of compact signing to increase the reliability of technical, cost, and other estimates. During compact development, MCC makes project design

modifications to mitigate potential completion risk, currency fluctuations and the potential for construction cost overruns.

	Project/Activity	Programmatic Change	Description
Benin	Electricity Distribution Project/Grid Strengthening Activities	\$32.31 million increase to the Cotonou and Regional Grid Strengthening Activities, with funding drawn from each compact project, M&E, and Program Administration.	This increase provided funding for a critical works contract for the construction and rehabilitation of high-voltage substations that exceeded its previously budgeted amount as well as contingency funding.
Niger	Irrigation and Market Access Project / Irrigation Activity	Reallocate \$29.1 million from the Ouna Kouanza and Sia construction budget to other components of the Irrigation and Market Access Project	Replace the development of Ouna-Kouanza (zones 4, 5, 6 and 7) and Sia (lower terrace) large-scale perimeters with the development of 640 hectares of small-scale irrigation in the Sia (lower terrace) area. Allow MCA-Niger to initiate identification of a small scale-irrigation component that will meet MCC investment criteria with the balance of the funds previously allocated to the construction budget for the Ouna Kouanza and Sia Perimeters.
Ghana			MCC is seeking an extension to the

	Project/Activity	Programmatic Change	Description
			overall compact term to June 6, 2022 and an increase of \$8,225,250 in total funding due to the impacts of COVID-19. The amended compact memorializing the extension request is planned to be completed and signed by June 2021.

Projected Beneficiaries and Income Benefits by Compact

Under MCC's results framework, beneficiaries are defined as an individual and all members of his or her household who will experience an income gain as a result of MCC's interventions. MCC considers that the entire household will benefit from the income gain and counts are multiplied by the average household size in the area or country. The beneficiary standard makes a distinction between individuals participating in a project and individuals expected to increase their income as a result of the project. Before signing a compact, MCC estimates the expected long-term income gains through a rigorous benefit-cost analysis. MCC may reassess and modify its beneficiary estimates and/or the present value of benefits when project designs change during implementation.

Compact	Estimated Number of Beneficiaries	Estimated Net Benefits over the Life of the Project (Present Value)³
Armenia	428,000	\$150,400,000
Benin	14,059,000	\$140,400,000
Benin II	1,969,000	\$24,800,000
Burkina Faso	1,181,000	(\$123,300,000)
Cabo Verde I	385,000	\$84,600,000
Cabo Verde II	604,000	\$72,000,000
El Salvador	706,000	\$262,100,000
El Salvador II	6,446,000	N/A
Georgia	143,000	\$166,000,000

Compact	Estimated Number of Beneficiaries	Estimated Net Benefits over the Life of the Project (Present Value)³
Georgia II	1,770,000	\$18,200,000
Ghana	1,217,000	\$520,400,000
Honduras	1,705,000	\$252,500,000
Indonesia	1,700,000	\$5,500,000
Jordan	3,000,000	\$89,300,000
Lesotho	1,041,000	\$75,500,000
Liberia	528,000	\$8,000,000
Madagascar	480,000	\$46,800,000
Malawi	983,000	\$234,100,000
Mali	2,837,000	\$136,300,000
Moldova	414,000	(\$66,700,000)
Mongolia	2,058,000	\$54,500,000
Morocco	1,695,000	\$610,200,000
Morocco II	828,000	N/A
Mozambique	2,685,000	\$120,900,000
Namibia	1,063,000	\$133,800,000
Nicaragua	119,000	\$11,500,000
Niger	3,888,000	\$238,700,000
Philippines	125,822,000	\$159,700,000
Senegal	1,550,000	\$110,600,000
Tanzania	5,425,000	\$775,400,000
Vanuatu	39,000	N/A
Zambia	1,200,000	\$62,200,000
Total for All Compacts	187,966,000	\$4,314,926,000

Notes:

1. The table includes estimates for compacts that have entered into force and have economic rates of return (ERRs) from which income benefit calculations can be drawn. The Ghana II compact does not yet have published ERRs.

2. These estimates do not include the projected beneficiaries of projects or activities that have been terminated or suspended by MCC (Madagascar, Honduras, Nicaragua, Mongolia, and Armenia). In the case of Madagascar, the estimates account for the compact's early termination.

3. The Present Value (PV) of Benefits is the sum of all projected benefits accruing over the life of the project, typically 20 years, evaluated at a 10 percent discount rate. Estimates are reported in millions of dollars in the year that the ERR analysis was completed. Because the PV of benefits uses a discount rate, these figures cannot be compared directly to the undiscounted financial costs of MCC compacts but must be compared to the PV of costs instead.

4. Indonesia entries are currently available for only one of three projects. Liberia entries are currently available only for the energy project. Benin II entries are unavailable for the off-grid clean energy facility.

Column totals may not equal the sum of the individual rows due to rounding.

Evaluation-Based Economic Rates of Return

All MCC projects are independently evaluated, and these independent evaluations often include evaluation-based economic rates of return (ERRs). Independently calculated ERRs complement the closeout ERRs that MCC calculates at the end of the compact. Because independent evaluations occur two to five years after compact closure, evaluation-based ERRs offer an updated assessment of a project's costs and benefits post-compact. These ERRs still rely on forecasts for the later portion of MCC's cost-benefit analysis evaluation horizon, which spans 20 years. Nonetheless, independent evaluation-based ERRs complete the accountability loop in a way that is rare among donors. Two examples are below; MCC expects to have completed 25 evaluation-based ERRs by the end of FY 2021.⁴

Results of the Mozambique Farmer Income Support Project

MCC's Farmer Income Support Project (FISP) was designed to reduce damage to the incomes of 1.7 million Mozambican farmers due to Coconut Lethal Yellowing Disease (CLYD). This was to be accomplished through (i) short-term surveillance, control, and mitigation services, prompt eradication of diseased palms, and replanting with the less susceptible Mozambican Green Tall coconut variety; and (ii) technical advisory services to introduce crop-diversification options. Given forecast benefits to farmers' incomes and the costs of the program, MCC originally forecast a project ERR of 25.1 percent.

An independent evaluation of the FISP's impacts found that cutting trees and burning tree stumps in epidemic areas did reduce CLYD prevalence, but not to the degree originally forecast, resulting in lower than expected productivity impacts. Likewise, endemic area alternative crop uptake was lower than expected, likely due to insufficient input and output market linkages. The resulting updated, evaluation-based ERR estimate was 16.8 percent. Greater detail on the evaluation and lessons learned are available in MCC's public evaluation catalog.⁵

Results of the Nicaragua Transportation Project

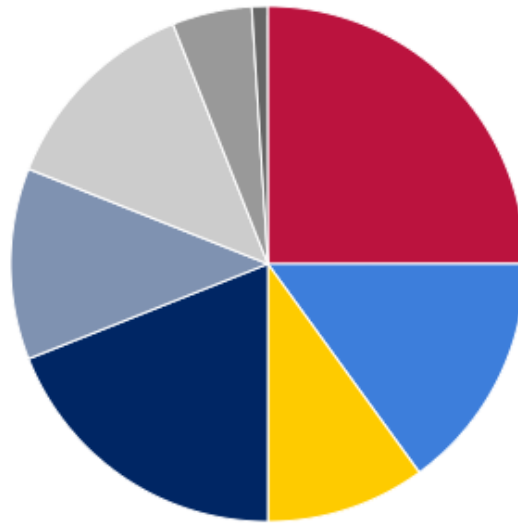
MCC's Nicaragua Transportation Project was designed to stimulate economic development and improve access to markets and social services by reducing transportation costs. It upgraded and rehabilitated 68 km of roads, consisting of two secondary roads and a trunk road. MCC originally forecast an ERR of 13.2 percent from the project based on reduced vehicle operating costs and travel time savings for road users, including new users expected to travel on the road due to improved road conditions resulting from the project.

The independent evaluation of this project estimated actual impacts using data from two years after the roads were completed. It found that road roughness, a key indicator of transport costs, decreased 80 percent on average, and traffic increased 12 percent on average over the two years to 3,062 vehicles per day.

At the same time, the capital costs for the road works came in on average 2.2 times higher than those estimated prior to implementation. Given this balance of measured benefits and costs, the resulting evaluation-based ERR fell to 2.1 percent, primarily due to these higher costs. Benefits were roughly consistent with ex-ante estimates. Greater detail on the evaluation and lessons learned are available in MCC's public evaluation catalog,⁶ and MCC's Principles into Practice: Lessons from MCC's Investments in Roads.⁷

Compact Funding by Sector

As of First Quarter FY 2021



● Transport (Road, Water & Air)
 ● Agriculture
 ● Water Supply & Sanitation
 ● Energy
● Program Administration & Monitoring
 ● Health, Education & Community Services
● Governance & Land
 ● Financial Services

Results by Sector

As of First Quarter FY 2021

Sector	Indicator	Total Portfolio Actuals	Data points	Active and Completed Countries Tracked
	<i>Indicators listed are MCC's common indicators, which are selected to aggregate sector results across countries.</i>	<i>Cumulative value for the indicator for both closed and active compacts (2005-present).</i>	<i>Number of compacts with available data</i>	<i>Underlined text indicates compacts that are still active.</i>
ROADS	Temporary employment generated in road construction	52,472	7	Armenia, Burkina Faso, Cabo Verde, <u>Côte d'Ivoire</u> , El Salvador, El

Sector	Indicator	Total Portfolio Actuals	Data points	Active and Completed Countries Tracked
	<i>Indicators listed are MCC's common indicators, which are selected to aggregate sector results across countries.</i>	<i>Cumulative value for the indicator for both closed and active compacts (2005-present).</i>	<i>Number of compacts with available data</i>	<i>Underlined text indicates compacts that are still active.</i>
	Kilometers of roads completed	3,035	15	Salvador II, Georgia, Ghana, Honduras, Liberia, Mali, Moldova, Mongolia, Mozambique, Nicaragua, Niger , Philippines, Senegal, Tanzania, Vanuatu
AGRICULTURE & IRRIGATION	Farmers trained	405,482	15	Armenia, Burkina Faso, Cabo Verde, El Salvador, Georgia, Ghana, Honduras, Indonesia, Madagascar, Mali, Moldova, Morocco, Morocco II , Mozambique, Namibia, Nicaragua, Niger , Senegal
	Farmers who have applied improved practices as a result of training	126,693	11	
	Hectares under improved irrigation	203,963	8	
	Value of agricultural and rural loans	\$87,074,694	9	
WATER & SANITATION	Temporary employment generated in water and sanitation construction	21,776	6	Cabo Verde II, El Salvador, Georgia, Ghana, Jordan, Lesotho, Mozambique,

Sector	Indicator	Total Portfolio Actuals	Data points	Active and Completed Countries Tracked
	<i>Indicators listed are MCC's common indicators, which are selected to aggregate sector results across countries.</i>	<i>Cumulative value for the indicator for both closed and active compacts (2005-present).</i>	<i>Number of compacts with available data</i>	<i>Underlined text indicates compacts that are still active.</i>
	People trained in hygiene and sanitary best practices	12,386	6	Tanzania, Zambia
	Water points constructed	1,191	4	
EDUCATION	Students participating	291,144	8	Burkina Faso, Côte d'Ivoire , El Salvador, El Salvador II, Georgia II, Ghana, Mongolia, Morocco, Morocco II , Namibia
	Facilities completed	844	7	
	Graduates from MCC-supported education activities	62,938	6	
LAND	Legal and regulatory reforms adopted	135	8	Benin, Burkina Faso, Cabo Verde II, Ghana, Indonesia, Lesotho, Madagascar, Mali, Morocco II , Mongolia, Mozambique, Namibia, Nicaragua, Niger , Senegal
	Stakeholders trained	78,064	12	
	Land administration offices established or upgraded	399	8	
	Parcels corrected or incorporated in land system	352,975	8	

Sector	Indicator	Total Portfolio Actuals	Data points	Active and Completed Countries Tracked
	<i>Indicators listed are MCC's common indicators, which are selected to aggregate sector results across countries.</i>	<i>Cumulative value for the indicator for both closed and active compacts (2005-present).</i>	<i>Number of compacts with available data</i>	<i>Underlined text indicates compacts that are still active.</i>
	Land rights formalized	320,722	7	
POWER	Kilometers of lines completed	5,467	7	Benin II , El Salvador, Georgia, Ghana, Ghana II , Indonesia, Liberia, Malawi, Mongolia, Tanzania

Common Indicators

As of First Quarter FY 2021

Agriculture & Irrigation Common Indicators

Agriculture & Irrigation Process Indicators							
Agriculture & Irrigation Common Indicators	(AI-1) Value of signed irrigation feasibility and design contracts	(AI-2.1) Amount Disbursed	(AI-2) Percent disbursed of irrigation feasibility and design contracts	(AI-3) Value of signed irrigation construction contracts	(AI-4.1) Amount Disbursed	(AI-4) Percent disbursed of irrigation construction contracts	(AI-5) Temporary employment generated in irrigation
Unit	USD		Percentage	USD		Percentage	Number
Classification	Cumulative		Level	Cumulative		Level	Cumulative
MCC Total	56,327,910.69	48,141,668.98	85%	729,022,019	635,387,639	87%	7,160
Gender							4,771
Female							252
Male							4,519
Country							
Armenia	4,601,073.00	4,601,073.00	100%	106,653,443	106,653,443	100%	2,389
El Salvador							
El Salvador II	X	X	X	X	X	X	X

Agriculture & Irrigation Process Indicators							
Agriculture & Irrigation Common Indicators	(AI-1) Value of signed irrigation feasibility and design contracts	(AI-2.1) Amount Disbursed	(AI-2) Percent disbursed of irrigation feasibility and design contracts	(AI-3) Value of signed irrigation construction contracts	(AI-4.1) Amount Disbursed	(AI-4) Percent disbursed of irrigation construction contracts	(AI-5) Temporary employment generated in irrigation
Georgia	1,155,881.00	617,380.00	53%	X	X	X	X
Honduras	X	-	X	X	X	X	X
Indonesia	X	-	X	X	X	X	X
Moldova	4,929,620.01	4,719,796.00	96%	84,239,288	61,489,674	73%	586
Nicaragua	0.00	0.00	X	X	X	X	X
Burkina Faso	17,268,474.00	12,910,517.60	75%	74,339,448	70,862,959	95%	2,414
Cabo Verde I	X	-	X	5,167,848	5,043,885	98%	X
Ghana	5,202,887.00	5,202,887.00	100%	13,009,963	13,009,963	100%	X
Madagascar	X	-	X	X	X	X	X
Mali	9,077,220.00	8,916,457.06	98%	148,951,503	146,354,137	98%	X
Morocco	X	-	X	111,353,027	110,239,497	99%	X
Mozambique	X	-	X	X	X	X	X
Namibia	X	-	X	X	X	X	X
Niger	4,402,582.39	2,811,590.61	64%	\$30,596,850	\$5,648,417	18%	252
Senegal	9,690,173.29	8,361,967.71	86%	154,710,649	116,085,665	75%	1,519

Agriculture and Irrigation Common Indicator Definitions:

(AI-1) Value of signed irrigation feasibility and design contracts: The value of all signed feasibility, design, and environmental contracts, including resettlement action plans, for agricultural irrigation investments using 609(g) and compact funds.

(AI-2) Percent disbursed of irrigation feasibility and design contracts: The total amount of all signed feasibility, design, and environmental contracts, including resettlement action plans, for agricultural irrigation investments disbursed divided by the total value of all signed contracts.

(AI-3) Value of signed irrigation construction contracts: The value of all signed construction contracts for agricultural irrigation investments using compact funds.

(AI-4) Percent disbursed of irrigation construction contracts: The total amount of all signed construction contracts for agricultural irrigation investments disbursed divided by the total value of all signed contracts.

(AI-5) Temporary employment generated in irrigation: The number of people temporarily employed or contracted by MCA-contracted construction companies to work on construction of irrigation systems.

Agriculture & Irrigation Output Indicators	Agriculture & Irrigation Outcome Indicators
--	---

(AI-6) Farmers trained	(AI-7) Enterprises assisted	(AI-8) Hectares under improved irrigation	(AI-9) Loan borrowers	(AI-10) Value of agricultural and rural loans	(AI-11) Farmers who have applied improved practices as a result of training	(AI-12) Hectares under improved practices as a result of training	(AI-13) Enterprises that have applied improved techniques
Number	Number	Hectares	Number	USD	Number	Hectares	Number
Cumulative	Cumulative	Cumulative	Cumulative	Cumulative	Cumulative	Cumulative	Cumulative
405,482	4,224	203,963	1,195	87,074,694.40	126,693	42,252	1,016
299,368	520		1,187	14,504,981.00	57,838		105
92,542	107		121	924,102.00	17,660		20
206,826	413		1,066	13,580,879.00	40,178		85
45,639	227		1,008	13,133,200.00	26,424	X	178
15,363	281		29	4,598,748.00	11,520	X	163
X	1	X	X	X	X	X	X
X	291	X	X	19,880,003.00	X	X	X
7,265	464	400	X	17,100,000.00	6,996	X	X
129,142	X	X	X	X	X	X	X
6,569	334	11,526	62	11,702,981.00	2,452	7,279	77
9,104	X	X	X	X	9,104	X	X
12,307	278	2,240	96	2,802,000.00	8,237	3,369	28
553	X	13	X	617,000.00	106	X	X
66,930	1,724	514	X	16,740,762.40	59,060	X	535
31,366	324	X	X	X	1,892	X	1
1,308	X	97,503	X	500,000.00	801	X	X
40,863	114	53,376	X	X	X	31,578	34
28,830	186	X	X	X	X	X	X
9,238	X	X	X	X	X	X	X
1,005	X	-	X	X	101	26	X
X	X	38,391	X	X	X	X	X

Agriculture and Irrigation Common Indicator Definitions (cont.):

(AI-6) Farmers trained: The number of primary sector producers (farmers, ranchers, fishermen, and other primary sector producers) receiving technical assistance or participating in a training session (on improved production techniques and technologies, including post-harvest interventions, developing business, financial, or marketing planning, accessing credit or finance, or accessing input and output markets).

(AI-7) Enterprises assisted: The number of enterprises; producer, processing, and marketing organizations; water users associations; trade and business associations; and community-based organizations receiving assistance.

(AI-8) Hectares under improved irrigation: The number of hectares served by existing or new irrigation infrastructure that are either rehabilitated or constructed with MCC funding.

(AI-9) Loan borrowers: The number of borrowers (primary sector producers, rural entrepreneurs, and associations) who access loans for on-farm, off-farm, and rural investment through MCC financial assistance.

(AI-10) Value of agricultural and rural loans: The value of agricultural loans and rural loans disbursed for on-farm, off-farm, and rural investments.

(AI-11) Farmers who have applied improved practices as a result of training: The number of primary sector producers (farmers, ranchers, fishermen, and other primary sector producers) that are applying new production or managerial techniques introduced or supported by MCC training or technical assistance, such as input use, production techniques, irrigation practices, post-harvest treatment, farm management techniques, or marketing strategies.

(AI-12) Hectares under improved practices as a result of training: The number of hectares on which farmers are applying new production or managerial techniques introduced or supported by MCC, such as input use, production techniques, irrigation practices, post-harvest treatment, farm management techniques, or marketing strategies.

(AI-13) Enterprises that have applied improved techniques: The number of rural enterprises; producer, processing, and marketing organizations; water users associations; trade and business associations; and community-based organizations that are applying managerial or processing techniques introduced or supported by MCC.

Education Common Indicators

Education Common Indicators

	Education Process Indicators			Education Output Indicators			Education Outcome Indicators		
	(E-1) Value of signed educational facility construction, rehabilitation, and equipping contracts (USD)	Amount Disbursed (E-2.1)	(E-2) Percent disbursed of educational facility construction, rehabilitation, and equipping contracts	(E-3) Legal, financial, and policy reforms adopted	(E-4) Educational facilities constructed or rehabilitated	(E-5) Instructors trained	(E-6) Students participating in MCC-supported education activities	(E-7) Graduates from MCC-supported education activities	(E-8) Employed graduates of MCC-supported education activities
Unit	US Dollars		US Dollars	Number	Number	Number	Number	Number	Number
Classification	Level		Level	Level	Cumulative	Cumulative	Cumulative	Cumulative	Cumulative
MCC Total	\$304,283,400	\$271,777,895	89%	15	844	10,670	291,144	62,938	0
Gender*						10,670	212,469	58,230	
Female						6,202	108,596	37,091	
Male						4,468	103,873	21,139	
Country									
Burkina Faso	\$22,758,211	\$22,736,023	100%	X	396	557	31,065	4,035	X
Cote d'Ivoire*	-	-	-	2	-	-	-	-	-
El Salvador I	\$9,857,585	\$9,839,371	100%	X	22	378	30,672	4,285	X
El Salvador II	\$59,449,148	\$48,692,482	82%	7	7	5,709	73,407	-	-

	Education Process Indicators			Education Output Indicators			Education Outcome Indicators		
	(E-1) Value of signed educational facility construction, rehabilitation, and equipping contracts (USD)	Amount Disbursed (E-2.1)	(E-2) Percent disbursed of educational facility construction, rehabilitation, and equipping contracts	(E-3) Legal, financial, and policy reforms adopted	(E-4) Educational facilities constructed or rehabilitated	(E-5) Instructors trained	(E-6) Students participating in MCC-supported education activities	(E-7) Graduates from MCC-supported education activities	(E-8) Employed graduates of MCC-supported education activities
Georgia II	\$42,742,227	\$41,365,549	97%	X	91	604	2,577	727	X
Ghana	\$18,689,747	\$18,689,747	100%	X	250	–	41,019	X	X
Mongolia	\$28,179,328	\$27,490,984	98%	5	18	1,370	17,480	11,967	X
Morocco	\$4,568,837	\$3,480,627	76%	X	X	2,052	93,424	41,383	X
Morocco II	\$21,748,018	\$3,922,534	18%	1	–	–	X	–	X
Namibia	\$96,290,298	\$95,560,578	99%	X	60	X	1,500	541	X

‡ All MCC education programs have as their long-term end goal an increase in individual or household income and a corresponding decrease in poverty.

Education Common Indicator Definitions

(E-1) Value of signed educational facility construction, rehabilitation, and equipping contracts: The value of all signed construction contracts for educational facility construction, rehabilitation, or equipping (e.g., information technology, desks and chairs, electricity and lighting, water systems, latrines) using compact funds.

(E-2) Percent disbursed of educational facility construction, rehabilitation, and equipping contracts: The total amount of all signed construction contracts for education facility works or equipping divided by the total value of all signed contracts.

(E-3) Legal, financial, and policy reforms adopted: The number of reforms adopted by the public sector attributable to compact support that increase the education sector's capacity to improve access, quality, and/or relevance of education at any level, from primary to post-secondary.

(E-4) Educational facilities constructed or rehabilitated: The number of educational facilities constructed or rehabilitated according to standards stipulated in MCA contracts signed with implementers.

(E-5) Instructors trained: The number of classroom instructors who complete MCC-supported training focused on instructional quality as defined by the compact training activity.

(E-6) Students participating in MCC-supported education activities: The number of students enrolled or participating in MCC-supported educational schooling programs.

(E-7) Graduates from MCC-supported education activities: The number of students graduating from the

highest grade (year) for that educational level in MCC-supported education schooling programs.

(E-8) Employed graduates of MCC-supported education activities: The number of MCC-supported training program graduates employed in their field of study within one year after graduation.

Land Common Indicators

Land Common Indicators

	Land Output Indicators					
	(L-1) Legal and regulatory reforms adopted	(L-2) Land administration offices established or upgraded	(L-3) Stakeholders trained	(L-4) Conflicts successfully mediated	(L-5) Parcels corrected or incorporated in land system	(L-6) Land rights formalized
Unit	Number	Number	Number	Number	Parcels	Number
Classification	Cumulative	Cumulative	Cumulative	Cumulative	Cumulative	Cumulative
MCC Total	135	399	78,064	12,484	352,975	320,722
Gender			76,629.00			159,878
Female			21,747			54,903
Male			54,882			85,400
Joint						19,575
Location					299,679.00	280,725
Urban					200,922	156,232
Rural					98,757	124,493
Country						
Benin	X	X	50	X	X	X
Burkina Faso	54	78	61,057	1,364	18,490	4,793
Cabo Verde II	36	38	442	229	37,495	11,365
Ghana	4	3	427	23	1,481	X
Indonesia	X	X	4,463	X	X	X
Lesotho	11	1	575	151	53,296	19,325
Madagascar	4	237	X	X	X	X
Mali	X	1	1,354	X	X	X
Mongolia	6	15	3,920	10,639	18,336	20,672
Morocco II	1	X	–	X	X	–
Mozambique	X	26	1,516	X	205,005	251,556
Namibia	19	X	2,524	X	8,869	4,356
Nicaragua	X	X	X	X	X	X
Niger	X	X	96	–	–	–
Senegal	X	X	1,640	78	10,003	8,655

Land Common Indicator Definitions

(L-1) Legal and regulatory reforms adopted: The number of specific pieces of legislation or implementing regulations adopted by the compact country and attributable to compact support.

(L-2) Land administration offices established or upgraded: The number of land administration and service offices or other related facilities that the project physically establishes or upgrades.

(L-3) Stakeholders trained: The number of public officials, traditional authorities, project beneficiaries and representatives of the private sector, receiving formal on-the-job land training or technical assistance regarding registration, surveying, conflict resolution, land allocation, land use planning, land legislation, land management or new technologies.

(L-4) Conflicts successfully mediated: The number of disputed land and property rights cases that have been resolved by local authorities, contractors, mediators, or courts with compact support.

(L-5) Parcels corrected or incorporated in land system: The number of parcels with relevant parcel information corrected or newly incorporated into an official land information system (whether a system for the property registry, cadastre, or an integrated system).

(L-6) Land rights formalized: The number of household, commercial and other legal entities (e.g., NGOs, churches, hospitals) receiving formal recognition of ownership and/or use rights through certificates, titles, leases, or other recorded documentation by government institutions or traditional authorities at national or local levels.

(L-7) Percentage change in time for property transactions: The average percentage change in number of days for an individual or company to conduct a property transaction within the formal system.

(L-8) Percentage change in cost for property transactions: The average percentage change in dollars of out-of-pocket cost for an individual or company to conduct a property transaction within the formal system.

Power Common Indicators

Power Common Indicators

	Power Process Indicators						
	(P-1) Value of signed power infrastructure feasibility and design contracts	(P-2.1) Amount Disbursed	(P-2) Percent disbursed of power infrastructure feasibility and design contracts	(P-3) Value of signed power infrastructure construction contracts	(P-4.1) Amount Disbursed	(P-4) Percent disbursed of power infrastructure construction contracts	(P-5) Temporary employment generated in power infrastructure construction
Unit	USD		Percentage	USD		Percentage	Number
Classification	Cumulative		Level	Cumulative		Level	Cumulative
MCC Total	\$93,857,178	\$74,085,610	79%	877,274,243	529,192,590	60.3%	8,819
T&D							
Transmission							
Distribution							
Gender							4,776.00
Female							270
Male							4,506

	Power Process Indicators						
	(P-1) Value of signed power infrastructure feasibility and design contracts	(P-2.1) Amount Disbursed	(P-2) Percent disbursed of power infrastructure feasibility and design contracts	(P-3) Value of signed power infrastructure construction contracts	(P-4.1) Amount Disbursed	(P-4) Percent disbursed of power infrastructure construction contracts	(P-5) Temporary employment generated in power infrastructure construction
Grid							
On-grid							
Off-grid							
Tariff class							
Residential							
Commercial							
Industrial							
Country							
Benin II	\$19,866,155.52	13,108,840.36	66%	224,100,168.59	32,431,531.97	14%	X
El Salvador	X		X	X	X	X	X
Georgia	X		X	X	X	X	X
Ghana	X	-	X	X	X	X	X
Ghana II	37,616,913.81	28,033,792.95	75%	121,275,084.04	55,085,244.89	45%	2,412
Indonesia	X	X	X	X	X	X	X
Liberia	X	X	X	144858722	144,858,722.00	100.0%	X
Malawi	\$20,626,684	\$15,837,791	77%	233,487,716	165,898,820	71.1%	2,334
Mongolia	X	X	X	X	X	X	X
Tanzania	\$15,747,424	\$17,105,186	109%	153,552,553	130,918,271	85.3%	4,073
Mainland	8,400,178	8,867,662		98,637,310	80,903,553		3,957
Morogoro							
Tanga							
Mbeya							
Iringa							
Dodoma							
Mwanza							
Kigoma							
Kigoma Solar	510,724	463,530		4,746,957	4,788,979		57
Zanzibar	6,836,522	7,773,994		50,168,285	45,225,739		59

Power Common Indicator Definitions

(P-1) Value of signed power infrastructure feasibility and design contracts: The value of all signed feasibility, design, and environmental impact assessment contracts, including resettlement action plans, for power infrastructure investments using 609(g) and compact funds.

(P-2) Percent disbursed of power infrastructure feasibility and design contracts: The total amount of all signed feasibility, design, and environmental impact assessment contracts, including resettlement action

plans, for power infrastructure disbursed divided by the total current value of signed contracts.

(P-3) Value of signed power infrastructure construction contracts: The value of all signed construction contracts for power infrastructure investments using compact funds.

(P-4) Percent disbursed of power infrastructure construction contracts: The total amount of all signed construction contracts for power infrastructure investments disbursed divided by the total current value of all signed contracts.

(P-5) Temporary employment generated in power infrastructure construction: The number of people temporarily employed or contracted by MCA-contracted construction companies to work on construction of new power infrastructure or reconstruction, rehabilitation, or upgrading of existing power infrastructure.

(P-6) Generation capacity added: Generation capacity added, measured in megawatts, resulting from construction of new generating capacity or reconstruction, rehabilitation, or upgrading of existing generating capacity funded with MCC support.

(P-7) Kilometers of transmission lines upgraded or built: The sum of linear kilometers of new, reconstructed, rehabilitated, or upgraded transmission lines that have been energized, tested, and commissioned with MCC support.

(P-8) Transmission throughput capacity added: The increase in throughput capacity, measured in megawatts, added by new, reconstructed, rehabilitated, or upgraded transmission lines that have been energized, tested, and commissioned with MCC support.

(P-9) Transmission substation capacity added: The total added transmission substation capacity, measured in mega volt-amperes, that is energized, commissioned, and accompanied by a test report and supervising engineer's certification resulting from new construction or refurbishment of existing substations that is due to MCC support.

(P-10) Kilometers of distribution lines upgraded or built: The sum of linear kilometers of new, reconstructed, rehabilitated, or upgraded distribution lines that have been energized, tested, and commissioned with MCC support.

(P-11) Distribution substation capacity added: The total added substation capacity, measured in mega volt amperes, that is energized, commissioned, and accompanied by a test report and supervising engineer's certification resulting from new construction or refurbishment of existing substations supported by MCC.

(P-12) Customers added by project: The number of new customers that have gained access to a legal connection to electricity service from an electrical utility or service provider as a direct output of an MCC-funded project or intervention.

(P-13) Maintenance expenditure-asset value ratio: Actual maintenance expenditures / total value of fixed

assets.

(P-14) Cost-reflective tariff regime: Average tariff per kilowatt-hour / long-run marginal cost per kilowatt-hour of electricity supplied to customers.

(P-15) Total electricity supply: Total electricity, in megawatt hours, produced or imported in a year.

(P-16) Power plant availability: Unweighted average across all power plants of the following: total number of hours per month that a plant is able and available to produce electricity / total number of hours in the same month.

(P-17) Installed generation capacity: Total generation capacity, in megawatts, installed plants can generate within the country.

(P-18) Transmission system technical losses: $1 - [\text{Total megawatt hours transmitted out from transmission substations} / \text{total megawatt hours received from generation to transmission substations}]$

(P-19) Distribution system losses: $1 - [\text{Total megawatt hours billed} / \text{total megawatt hours received from transmission}]$

(P-20) Commercial losses: Total distribution system losses (P-19) minus distribution technical losses

(P-21) System Average Interruption Duration Index (SAIDI): Sum of durations, in customer-hours, of all customer interruptions in a quarter / total number of customers connected to network in the same quarter.

(P-22) System Average Interruption Frequency Index (SAIFI): Sum of customer-interruptions in a quarter / total number of customers connected to network in the same quarter.

(P-23) Total electricity sold: The total megawatt hours of electricity sales to all customer types.

(P-24) Operating cost-recovery ratio: Total revenue collected / total operating cost. Total operating cost is defined as operating expenses plus depreciation.

(P-25) Percentage of households connected to the national grid: Number of households that have access to a legal connection to electricity service from an electrical utility or service provider / total number of households in the country.

(P-26) Share of renewable energy in the country: Total installed generation capacity of on- or off-grid renewable energy, in megawatts / total installed generation capacity (P-17).

Transportation Common Indicators

Transportation Common Indicators

	Process Indicators									Output Indicators	Outcome Indicator
Transportation Common Indicators	(R-1) Value of signed road feasibility and design contracts	(R-2.1) Value disbursed of road feasibility and design contracts	(R-2) Percent disbursed of road feasibility and design contracts	(R-3) Kilometers of roads under design	(R-4) Value of signed road construction contracts	(R-5.1) Value disbursed of roads construction contracts	(R-5) Percent disbursed of road construction contracts	(R-6) Kilometers of roads under works contracts	(R-7) Temporary employment generated in road construction	(R-8) Kilometers of roads completed	(R-11) Road traffic fatalities
Unit	USD		Percentage	Kilometers	USD	USD	Percentage	Kilometers	Number	Kilometers	Number
Classification	Cumulative		Level	Cumulative	Cumulative	Cumulative	Level	Cumulative	Cumulative	Cumulative	Level
MCC Total	\$149,178,209	\$134,345,645	90%	4,773	\$2,498,560,215	\$2,142,107,370	86%	4,042.9	52,472	3035	655
Gender*									17,107		49
Female									1,460		4
Male									15,647		45
Road Type*	\$115,356,798	\$101,231,984	88%	4710	\$2,223,462,366	\$1,814,052,591	82%	3,348.2		2734	
Primary	\$82,645,410	\$70,906,112	86%	2183	\$1,441,727,642	\$1,148,246,014	80%	1,534.4		1178	
Secondary	\$25,992,205	\$22,767,400	88%	1591	\$617,229,323	\$526,845,893	85%	1,132.9		479	
Tertiary	\$6,719,183	\$7,558,472	112%	935	\$164,505,401	\$138,960,684	84%	681.0		1078	
Country											
Armenia	X	-	X	X	X	X	X	0.0	X	24	X
Burkina Faso	\$8,339,651	\$9,625,883	115%	536	\$140,205,145	\$142,457,135	102%	419.1	4,162	278	6
Cape Verde I	\$3,520,000	\$3,230,000	92%	63	\$24,280,000	\$24,279,171	100%	40.6	X	41	X
Cote d'Ivoire*	\$15,506,313	\$5,030,174	32%	30	-	-	-	-	-	-	-
El Salvador I	\$18,321,410	\$18,048,524	99%	223	\$248,378,825	\$240,211,648	97%	223.0	X	223	X
El Salvador II	X	X	X	10	\$99,082,774	\$58,739,536	59%	42.2	2,650	X	X
Georgia	\$11,980,000	\$11,868,449	99%	0	\$197,299,030	\$197,299,030	100%	220.2	X	220	X
Ghana	\$5,549,044	\$5,549,044	100%	943	\$250,604,022	\$250,604,022	100%	446.4	35,455	445	602
Honduras	\$9,500,000	\$7,163,000	75%	673	\$179,400,000	\$128,412,000	72%	673.0	X	610	X
Liberia	X	X	X	X	X	X	X	X	X	X	X
Mali	\$0	\$0	X	X	\$42,918,038	\$15,018,313	35%	81.0	X	79	X
Moldova	X	-	X	96	\$100,807,443	\$97,020,289	96%	96.0	1,309	96	4
Mongolia	\$6,083,650	\$5,421,254	89%	19	\$73,108,907	\$66,492,533	91%	176.4	X	176	X
Mozambique	\$17,669,992	\$15,049,358	85%	253	\$132,240,55	\$116,601,108	88%	253.0	2,308	253	X

	Process Indicators									Output Indicators	Outcome Indicator
Transportation Common Indicators	(R-1) Value of signed road feasibility and design contracts	(R-2.1) Value disbursed of road feasibility and design contracts	(R-2) Percent disbursed of road feasibility and design contracts	(R-3) Kilometers of roads under design	(R-4) Value of signed road construction contracts	(R-5.1) Value disbursed of road construction contracts	(R-5) Percent disbursed of road construction contracts	(R-6) Kilometers of roads under works contracts	(R-7) Temporary employment generated in road construction	(R-8) Kilometers of roads completed	(R-11) Road traffic fatalities
*					7						
Nicaragua	\$0	\$0	X	376	\$56,507,526	\$56,507,526	100%	74.0	X	74	X
Niger	\$3,172,736	\$3,091,229	97%	300	\$53,518,819	-	-	83.0	-	-	X
Philippines	\$15,235,623	\$14,391,002	94%	222	\$173,156,531	\$139,529,147	81%	222.0	X	175	0
Senegal	\$12,201,371	\$12,444,412	102%	406	\$271,128,882	\$189,227,036	70%	375.0	2,757	X	43
Tanzania	\$19,143,331	\$20,478,228	107%	473	\$399,926,666	\$363,711,825	91%	468.3	3,831	190	0
Vanuatu	\$2,955,088	\$2,955,088	100%	150	\$55,997,051	\$55,997,051	100%	149.7	X	150	X

*Kilometers of road for Mozambique require verification through takeover certificates. However, takeover certificates were never provided and the number reported is not verified.

** According to the Common Indicator definition, a road is completed when official certificates are handed over and approved. In Senegal, this was taken to mean final acceptance of the road works, which typically happens after the end of the 1 year defects liability period which starts when the construction is completed and the roads are provisionally accepted. As part of its Compact, Senegal intended to rehabilitate 372 kilometers of national roads. By September 2015, when the Senegal Compact closed, no roads had achieved final acceptance, and therefore were not officially completed, per the common indicator definition. However, by the end of the Compact, 185km of roads had been fully rehabilitated and had received provisional acceptance. An additional 72km were provisionally accepted in November 2015, and the remaining 116km are anticipated to be provisionally accepted with the support of the Government of Senegal by mid-2016.

Transportation Common Indicator Definitions

(R-1) Value of signed road feasibility and design contracts: The value of all signed feasibility, design, and environmental contracts, including resettlement action plans, for road investments using 609(g) and compact funds.

(R-2.1) Value disbursed of road feasibility and design contracts: The value disbursed of all signed feasibility, design, and environmental contracts, including resettlement action plans, for road investments using 609(g) and compact funds.

(R-2) Percent disbursed of road feasibility and design contracts: The total amount of all signed feasibility, design, and environmental contracts, including resettlement action plans, for road investments disbursed divided by the total value of all signed contracts.

(R-3) Kilometers of roads under design: The length of roads in kilometers under design contracts. This includes designs for building new roads and reconstructing, rehabilitating, resurfacing, or upgrading existing roads.

(R-4) Value of signed road construction contracts: The value of all signed construction contracts for new roads or reconstruction, rehabilitation, resurfacing, or upgrading of existing roads using compact funds.

(R-5.1) Value disbursed of roads construction contracts: The value disbursed of all signed construction contracts for new roads or reconstruction, rehabilitation, resurfacing, or upgrading of existing roads.

(R-5) Percent disbursed of road construction contracts: The total amount of all signed construction contracts for new roads or reconstruction, rehabilitation, resurfacing, or upgrading of existing roads disbursed divided by the total value of all signed contracts.

(R-6) Kilometers of roads under works contracts: The length of roads in kilometers under works contracts for construction of new roads or reconstruction, rehabilitation, resurfacing, or upgrading of existing roads.

(R-7) Temporary employment generated in road construction: The number of people temporarily employed or contracted by MCA-contracted construction companies to work on construction of new roads or reconstruction, rehabilitation, resurfacing, or upgrading of existing roads.

(R-8) Kilometers of roads completed: The length of roads in kilometers on which construction of new roads or reconstruction, rehabilitation, resurfacing, or upgrading of existing roads is complete (certificates handed over and approved).

(R-9) Roughness: The measure of the roughness of the road surface, in meters of height per kilometer of distance traveled.

(R-10) Average annual daily traffic: The average number and type of vehicles per day, averaged over different times (day and night) and over different seasons to arrive at an annualized daily average.

(R-11) Road traffic fatalities: The number of road traffic fatalities per year on roads constructed, rehabilitated, or improved with MCC funding.

WASH Common Indicators

WASH Common Indicators

	WASH Process Indicators	WASH Output Indicators	WASH Output Indicators

	(WS-1) Value of signed water and sanitation feasibility and design contracts (USD)	Amount Disbursed	(WS-2) Percent disbursed of water and sanitation feasibility and design contracts	(WS-3) Value of signed water and sanitation construction contracts (USD)	Amount Disbursed	(WS-4) Percent disbursed of water and sanitation construction contracts	(WS-5) Temporary employment generated in water and sanitation construction	(WS-6) People trained in hygiene and sanitary best practices	(WS-7) Water points constructed	Residential population connected to sewer system*	Residential population*
Unit	US Dollars		Percentage	USD		Percentage	Number	Number	Number	Number	Number
Classification	Cumulative		Level	Cumulative		Level	Cumulative	Cumulative	Cumulative	Cumulative	Cumulative
MCC Total	54,337,691	\$53,735,311	98.9%	816,963,219	\$763,548,856	93.5%	21,776	12,386	1,191	NA	NA
Gender							9,862				
Female							1,123	–			
Male							8,739	–			
Country											
Cabo Verde II	\$783,369	\$733,263	93.6%	\$19,315,569	\$18,827,292	97.5%	759	32	X	X	X
El Salvador	\$4,983,800	\$4,785,175	96.0%	\$10,451,448	\$10,188,837	97.5%	X	2,406	X	X	X
El Salvador II	X	X	X	X	X	X	X	X	–	X	X
Georgia	\$266,865	\$266,865	100.0%	\$54,315,000	\$51,178,716	94.2%	X	X	X	X	X
Ghana	\$1,475,148	\$1,475,148	100.0%	\$13,949,465	\$13,949,465	100.0%	X	778	392	X	X
Jordan	\$0	\$0	X	\$238,732,246	\$238,486,447	100%	3,825	X	X	X	X
Lesotho	X	–	X	\$59,733,645	\$47,189,579	79%	11,527	454	175	X	X
Mozambique	\$35,076,009	\$34,753,498	99.1%	\$169,500,497	\$148,359,134	87.5%	2,276	8,400	614	X	X
Tanzania	\$6,861,280	\$7,008,600	102.1%	\$45,403,796	\$36,801,560	81.1%	387	X	X	X	X
Zambia	\$4,891,220	\$4,712,762	96.4%	\$205,561,552	\$198,567,825	96.6%	3,002	316	10	X	X

* This is a monitoring indicator; any change over baseline data represents the current trend and does not represent the direct impact of the MCC-investment.

** Jordan's M&E Plan has, throughout the life of the compact, defined hours of supply as hours/week. As such all documentation is in this form. The value here has been divided by 7 here to accurately reflect supply hours per day.

***The current unit for volume of water produced has a discrepancy. MCC M&E is in the process of revising this common indicator to clarify and align with current industry standards.

WASH Common Indicator Definitions:

(WS-1) Value of signed water and sanitation feasibility and design contracts: The value of all signed feasibility, design, and environmental contracts, including resettlement action plans, for water and sanitation investments using 609(g) and compact funds.

(WS-2) Percent disbursed of water and sanitation feasibility and design contracts: The total amount of all signed feasibility, design, and environmental contracts, including resettlement action plans, for water and sanitation investments disbursed divided by the total value of all signed contracts.

(WS-3) Value of signed water and sanitation construction contracts: The value of all signed construction contracts for reconstruction, rehabilitation, or upgrading of water and sanitation works using compact funds.

(WS-4) Percent disbursed of water and sanitation construction contracts: The total amount of all signed construction contracts for construction, reconstruction, rehabilitation, or upgrading of water and sanitation works disbursed divided by the total value of all signed contracts.

(WS-5) Temporary employment generated in water and sanitation construction: The number of people temporarily employed or contracted by MCA-contracted construction companies to work on construction of water or sanitation systems.

(WS-6) People trained in hygiene and sanitary best practices: The number of people who have completed training on hygiene and sanitary practices that block the fecal-oral transmission route.

(WS-7) Water points constructed: The number of non-networked, stand-alone water supply systems constructed, such as: protected dug wells, tube-wells / boreholes, protected natural springs and rainwater harvesting / catchment system

(WS-8) Nonrevenue water: The difference between water supplied and water sold (i.e. volume of water “lost”) expressed as a percentage of water supplied.

(WS-9) Continuity of service: Average hours of service per day for water supply.

(WS-10) Operating cost coverage: Total annual operational revenues divided by total annual operating costs.

(WS-11) Volume of water produced: Total volume of water produced in cubic meters per day for the service area, i.e., leaving treatment works operated by the utility and purchased treated water, if any.

(WS-12) Access to improved water supply: The percentage of households in the MCC project area whose main source of drinking water is a private piped connection (into dwelling or yard), public tap/standpipe, tube-well, protected dug well, protected spring or rainwater.

(WS-13) Access to improved sanitation: The percentage of households in the MCC project area who get access to and use an improved sanitation facility such as flush toilet to a piped sewer system, flush toilet to a septic tank, flush or pour flush toilet to a pit, composting toilet, ventilated improved pit latrine or pit latrine with slab and cover.

(WS-14) Residential water consumption: The average water consumption in liters per person per day.

(WS-15) Industrial/Commercial water consumption: The average amount of commercial water consumed measured in cubic meters per month.

(WS-16) Incidence of diarrhea: The percentage of individuals reported as having diarrhea in the two weeks preceding the survey.

FY 2022 Corporate Goals/Priorities

For FY 2022, MCC's new leadership is undertaking a review of MCC's corporate goals and priorities, as reflected in the priorities identified in the Executive Summary—namely, climate change, inclusion and gender, and catalyzing private sector investment. This may also include additional priorities focused on MCC's organizational health and business operations, as well as future opportunities to maximize MCC's mission.

Under MCC's previous leadership team, MCC established four specific goals for FY2021 that informed annual department and division goal setting (as well as individual performance plans):

1. Human Capital: empower our people for optimal performance

MCC worked to develop a more comprehensive approach to human capital to better align MCC's hiring practices, existing resources, and learning tools with the agency's mission to ensure that MCC is appropriately staffed to achieve its strategic priorities and implement programs.

2. Innovation: establish a culture of creativity that encourages smart risk

MCC made further progress on operationalizing the concurrent compact authority

3. Private Investment: crowd-in and enable private investment

MCC developed a strategy to expand and deepen MCC's blended finance capacity, portfolio, and leverage, and a partnerships strategy to increase impact, innovation, scale, and sustainability of MCC programs through partnerships

4. Accountability: hold ourselves and partners accountable for results. MCC is continuing to make progress in each of these areas

MCC continued to intensify its focus on data and evidence-driven results. In FY21 MCC issued two Star Reports, public-facing narratives of MCC's assistance for a country from selection through project evaluation, and 22 Evaluation Briefs, summaries of the key results and learning from MCC's independent evaluations in a user-friendly, four-page packet.

Endnotes

1. Per the Consolidated Appropriations Act, 2021 (P.L. 116-260), MCC has been authorized to extend any compact in implementation as of January 29, 2020, for up to one additional year to account for delays related to the COVID-19 pandemic. Prior year funds are planned to be utilized to cover program administration, supervision, and oversight costs for the period of extension in support of five compacts currently undergoing implementation.
2. Previously referred to as 609(g) funding.
3. MCC was granted additional funding flexibility under the Coronavirus Aid, Relief, and Economic Security (CARES) Act in Fiscal Year 2020. The legislation raised the cap on administrative expense funds to \$107 million for unanticipated expenses in response to COVID-19. The provision does not increase overall resources for MCC as offsets were applied against Due Diligence funds.
4. Evaluation-based ERRs are reported in MCC's Evaluation Briefs, available at:
<https://www.mcc.gov/our-impact/evaluation-briefs>
5. <https://data.MCC.gov/evaluations/index.php/catalog>
6. <https://data.MCC.gov/evaluations/index.php/catalog>
7. <https://www.MCC.gov/our-impact/principles-into-practice>

Reducing Poverty Through Growth

